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N° 112 • JULY-AUGUST-SEPTEMBER 2020

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## MEDICAL DIPLOMACY

Beijing hits  
top gear

## DRC

Tshisekedi's  
struggle to control  
the country



From left to  
right: Abdul  
Samad Rabi'u,  
Tewolde  
GebreMariam,  
Ngozi Okonjo-  
Iweala, Cyril  
Ramaphosa,  
Donald Trump  
and Xi Jinping

# BRACE FOR IMPACT

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Who will bounce back?

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# THE REVOLUTION WILL BE MULTIPOLAR

By **PATRICK SMITH**  
[editorial@theafricareport.com](mailto:editorial@theafricareport.com)

Should any of you harbour lingering doubts that we are living in an age of revolution, remember that the US's leading business roundtable last year cheerfully announced the demise of shareholder capitalism and the Davos crowd now insists on a "global reset of capitalism" to avert climate catastrophe. And that was before the coronavirus pandemic shut down the world economy.

With such improbable comrades on the barricades, what are the prospects for a new world to be built out the wreckage of the one that no longer works? As Ecobank's Ade Ayeyemi points out on page 8, the pandemic is the great accelerator of pre-existing trends: a greater role for the state in the face of market failure, a retreat from hyper-globalisation, leaps forward with technology, and slower growth in industrial economies.

None of that spells doom; much could be good for Africa. A lot will depend on the geopolitics.

If the forces of economic nationalism and populism redouble their onslaught, a stark new order is in prospect. One in which the US, surrounded by its cheerleaders, squares up to China, with its own camp-followers, while the EU vainly tries to hold the ring for internationalism and political pluralism.



Those in smaller countries who welcome a sequel to the Cold War are fooling themselves. We have seen what this looks like. The Group of 20 (G20) biggest economies failed excruciatingly in its first response to the pandemic: its offer of a six-month suspension of debt service for the poorest countries was so derisory it looked insulting.

**This minimalist response** prompted veterans of previous G20 meetings to outline what is required – a well-funded stimulus programme for the majority who live in economies where printing money isn't viable. In an open letter, African, Asian, American and European officials called for radical action to avert the descent of more than 400 million people into extreme poverty, and a plan to raise the \$2.5trn of liquidity that the IMF judges necessary for developing economies to bounce back.

Some of the IMF's biggest shareholders, except the US for now, have endorsed a plan to expand special drawing rights by \$1trn – a hefty boost to liquidity for the hardest-hit economies. Green investments in power and communications should be at the heart of this plan, as should a properly enforced policy to recover state revenue lost to tax havens.

The analogy between economics and health – “no one is safe until we are all safe” – plays to Africa's advantage. Africa's demographic trends give it negotiating strength. Africa's economies are getting more competitive, as Landry Signé of the Brookings Institution argues, and its citizens are demanding more accountability from states and corporations.

That, together with a wave of investment in farm production, a healthy dose of SMEs, a widening web of continental trade partners and the rapid adoption of digital technologies could position Africa for a strong rebound. But the resilience to do that will come firstly from the continent's people and states. •





FOTOLIA

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The boss of Nigeria's BUA Group is betting big on the home market, where automation projects have allowed the firm to operate under conditions that have hurt industrial activity throughout the country and the continent.

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## THE BENEFITS OF ZIMBABWE'S INDEPENDENCE

Heartfelt congratulations to Zimbabwe, which turned 40 this April after being weaned from the hooks, chains and yokes of colonialism. I earnestly appreciate the men and women who sacrificed their lives fighting for Zimbabwe's freedom, particularly those who died before independence. Many ordinary citizens who did not have access to fertile arable land benefited from the land redistribution. The indigenisation programme has also enabled some citizens to own land and mineral wealth, and be involved in the manufacturing industries, banking, transport and communication, tourism and the retail industry, which were formerly reserved only for the white minority. Independence further enabled equality between black and white people in the country.

**Handsen Chikowore,**  
poet, United Kingdom  
(originally from Zimbabwe)



## AFRICA AND THE NEXT COLD WAR

A new Cold War is on the horizon and Africa could be torn between the US and China this time around ('Team Trump Steps on the Gas', TAR111). The African Union launched its Centres for Disease Control and Prevention (CDC) with support from the US, China and many others. The US is shouldering 15% of the budget, the director's salary and support for researchers; China offered to build the headquarters for \$80m. Now President Trump has threatened to withdraw US support if China builds the HQ. African leaders are expected to vote on the issue later this year. Will Africans stand on the sidelines or will they lead? The CDC headquarters is just the tip of the iceberg.

**Abdoulaye W Dukulé,** Coordinator,  
The West Africa Center for Policy & Strategy, USA

## RADICAL SHIFTS

Governor Seyi Makinde (TAR Web: 'Oyo State Governor Seyi Makinde spends 22.4% of budget on education') has demonstrated the administrative courage germane to the running of the seemingly comatose economy Oyo State has become. His critics are probably oblivious to his political vision and ideology about education, hence their condemnations, which I think are rather

premature. Governor Makinde seems to be on a radical political mission of the socio-economic repositioning of Oyo State, to the chagrin of many. And the way I see it he may be so daring indeed, no matter whose ox is gored.

**Theophilus Abiodun,**  
Nigeria

## A POSITIVE CHANGE?

A breath of fresh air for graft-ridden Nigeria (TAR Web: 'Oyo State Governor Seyi Makinde

spends 22.4% of budget on education'). I was just wondering, does Oyo State have the power to collect and keep takes? Apart from governor Seyi Makinde's agri-business ambitions, what is the current mainstay of the state's economy, both short and long term? Lastly, how are the infrastructure projects being financed?

**Nkonkomalimba Chinyanta Kafunda,**  
United Kingdom

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# ADE AYEYEMI BANKING ON CHANGE

The Ecobank CEO talks to *The Africa Report* about how the Covid-19 crisis is both driving developments and giving pause for thought about business, health and governance

By **PATRICK SMITH**

Ade Ayeyemi is a good banker to know in a pandemic. For a start, with 31 years in the business, Ayeyemi has already navigated most of the economic and financial storms that markets and the wider world could throw at him. He also believes in preparation and research.

He has spent the past four-and-a-half years as the captain of Ecobank Transnational Incorporated battenning down the hatches. So the good ship Ecobank looks rather more seaworthy than many other transnational financial institutions in the middle of the Covid-19 pandemic.

Either Ayeyemi is an extraordinarily good diplomat or he genuinely enjoys the company of journalists. The last time we met was at a small club on London's Park Lane where he was holding court to a dozen journalists fielding questions on geoeconomics, China's lending, currency unions and what Brexit would mean for Africa. On each, Ayeyemi has his own particular

take – sometimes quirky but never a stock or confected opinion.

This time it was different again. Ayeyemi was in his office in Lomé with his chief of staff Adenike Laoye, looking into the screen on a Microsoft Teams call to my apartment in the 11th arrondissement in Paris. But we were both drinking coffee, I can confirm.

Surrounded by sheaves of forecasts from the UN, World Bank and IMF predicting that this was going to be the sharpest downturn for a century, does Ayeyemi subscribe to the fears of economic Armageddon triggered by the pandemic?

**This pandemic is  
the great accelerator,  
suddenly you need  
to use this technology**

“Anybody who says he knows [...] doesn't know what he's talking about. That's the first point,” he replies.

On the role of history, there are some lessons and some things that will be done differently this time. “In 1929 [the Wall Street crash] the world was not as global.”

Looking at Africa and its relations with the rest of the world, Ayeyemi says the worst outcomes being predicted in the wake of the pandemic could be avoided. “Nobody has a template to deal with this because the last time this happened the world was not as connected as it is today. Of course there will be some economic damage [...] but there's no inevitability in the depth or duration of the damage.”

For Ayeyemi, we are in a public health crisis first and foremost, and there is no reason why it should morph into a financial crisis. Rather, governments should find ways of working with financial institutions to bring societies out of the crisis.

It is also a matter of responding to the wake-up call. “Most of the elite in Africa believed that to get good health services all you needed was a passport and a ticket. And you can fly to anywhere in the world and get treated. [...] Now they have discovered that it is not so easy, there is no country to fly to.”

**The economic localisation** that policymakers are talking about now requires us to rethink how we use skills and resources. Technology for production is easier to transfer than it used to be, says Ayeyemi. “In this day and age, you can do 3-D manufacturing. You can use artificial intelligence [...]. You have telemedicine. Doctors can sit in Honolulu or Boston and conduct operations in Lagos or Timbuktu.”

A long-time proponent of the digital revolution and fintech, Ayeyemi had the target of winning-over 100 million customers for Ecobank's digital services. “This pandemic is what I'll call the great accelerator. There has been a lot of development



in science and telecommunications [...]. All of a sudden you need to use this technology.”

There was no choice, he explains. Lagos, the biggest financial centre in the region, was locked down in March with just 24 hours’ notice. All the banks were closed but they kept open online financial services.

“I was in Kenya in 2007 when we started M-Pesa. At that time, we had just a simple SMS.” What M-Pesa

taught us, he says, is that Africa can adopt technology fast, even to the point of becoming a world leader in mobile money.

That should make Africa one of the more competitive arenas for fintech. Is Ayeyemi worried about an invasion of foreign fintech companies challenging traditional banking models in Africa?

“We can hold our own and of course we can beat them. We have the customers, we know the terrain, we’ve retooled our own technology and we’ve refocused the business. In the US you have regional banks, community banks, national banks and you still have international banks. So everybody has a place to play.”

On the wider policy issues such as the launch of the African Continental Free Trade Area, Ayeyemi is more cautious. “I would support a deferral to make sure we don’t launch a new model into an already turbulent situation.”

## [Exiting the CFA franc] will be a rocky ride, let’s hope people fasten their seatbelts

Countries should try to delay what can be delayed and concentrate on the immediate public health and economic restructuring tasks. Coordinating the tariff regimes across the continent and the transition to a single market would be launched under stronger economic conditions, he says.

**Similarly, Ayeyemi does not** favour rapid moves to an independent common currency in West Africa, his bank’s operating base. “I’m not sure that our problem is the currency [...]. If you have a guarantor of your currency it’s a good thing to have and it’s led to low inflation over time in all these [CFA franc] countries.”

If those countries in West Africa such as Senegal and Mali get their wish for a speedy divorce from the *Banque de France*, Ayeyemi expects a difficult transition: “You’re going to get a rocky ride, and let’s hope people fasten their seatbelts. But it’s possible this gets delayed because of the current situation.”

He argues that the issues to focus on now are the vaccine and better public health services. “I like the idea of what is being spearheaded by the European Union: [...] to try to develop lifesaving vaccines that can get distributed to almost everybody at the price point they can afford.”

It may be, he says hesitantly, that the pandemic could be a portal to a better-connected and more interdependent world. But for now it has taught us a simple but powerful moral lesson: “It’s in all our best interests for everybody to be healthy.” •

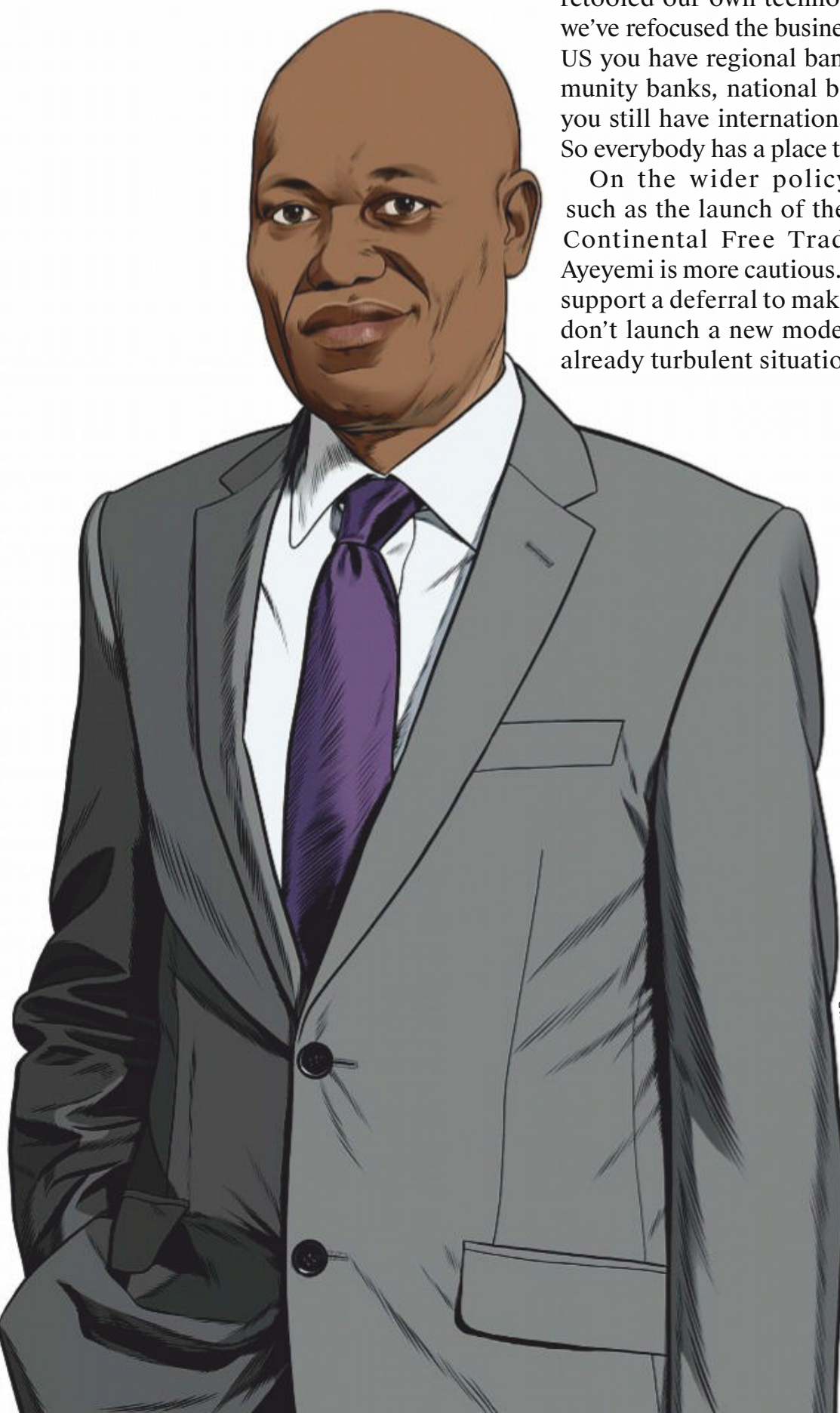


ILLUSTRATION JEAN-MARC PAU FOR TAR



# NGOZI OKONJO- IWEALA

*'The world system stopped trade wars'*

The former managing director of the World Bank is running for the top job at the World Trade Organisation when Roberto Azevêdo steps down at the end of August

Interview by **PATRICK SMITH**

Amid the pandemic and a revival of economic nationalism, the World Trade Organisation (WTO)'s mission of economic integration faces a critical test. Member states say it has to reform to survive. Of the eight candidates vying for the director-general's job, three are from Africa (see page 18) and *The Africa Report* is publishing interviews with all three. Here is the first, with Ngozi Okonjo-Iweala. The others will appear on [www.theafricareport.com](http://www.theafricareport.com)

**TAR: Multilateralism is in retreat. Doesn't that make the WTO an irrelevant organisation?**  
**NGOZI OKONJO-IWEALA:** Multilateralism has never been needed more than now. The Covid-19 pandemic has shown it is needed because there are simply some things in the world that bilateral or even sub-regional solutions cannot solve. The same applies to trade. A multilateral trading system is one that can produce results for all, win-win solutions. And the WTO is squarely at the centre of that.

**Does the African Continental Free Trade Area (AfCFTA), to be launched next year, comply with WTO rules?**

Internal Africa trade is just 15% and Africa's annual total trade growth has fallen from 5% to 3% in recent years. In fact, it's been stagnating at around 3%. So whatever can be done multilaterally to increase that trade and to increase intra-Africa trade would be a good thing. I think that the negotiations of the AfCFTA have been done in such a way as to be complementary to the WTO, so that the WTO can help the continent do better.



## THE TECHNOCRAT'S TRAIL

**13 June 1954** Born in Ogwashi Ukwu, Nigeria

**1981** Earned a doctorate in economics from MIT in the US

**1 December 2007** Appointed managing director of the World Bank

**17 August 2011** Named finance minister in the government of Goodluck Jonathan

**2016** Appointed chair of the Global Alliance for Vaccines and Immunisation

**2018** Took a seat on the board of directors of social media platform Twitter

SIMON DAWSON/BLOOMBERG/GETTY

**The pandemic has prompted more distrust of global supply chains and a shift back to local production. How should the WTO deal with that?**

This is one of the most important questions. We will surely have more pandemics and epidemics, and how we deal with them with respect to world trade will be important. On WTO rules, to some extent, countries can decide on export restrictions, provided they're temporary, transparent and proportionate and notified. [...] So we should make sure that this does not become a reason to block trade.

**How do trade rules affect public goods such as vaccines and pharmaceuticals?**

As the chair of Global Alliance for Vaccines and Immunisation, I'm seeing it from the front lines. We want to make sure we don't have a situation where access to vaccines for countries where they are not made is blocked. The world is so interconnected now that no one is safe until everyone is safe. This is an area where we need to think through the trade regime and the rules that govern these kinds of products, whilst respecting countries' desire for security.

**Are you confident there will be affordable and universal access to a coronavirus vaccine?**

The idea is to get a coalition of countries that would be able to band together and purchase these vaccines in such a way that they will be available and distributed to rich and poor countries alike at the same time. I can tell you some good news. There's an instrument we developed, called the Advanced Market Commitment, which several countries have supported, to sign a memorandum of understanding with AstraZeneca and the Oxford group for 300m doses of vaccines, which will go to low- and middle-income countries.

**Why hasn't the WTO concluded a single round of global trade talks since 1995?**

Over time, there's been a growing divide among countries and a lack of trust. I feel that there's still room to build that consensus and to come to agreements. The WTO needs a director-general who can work with the members to move forward some critical pieces. The fisheries negotiation, for instance, could be concluded and could be a very important one. It would deal with overfishing, with depletion of fish stocks – which is a threat to biodiversity – by getting rid of destructive subsidies that don't help. And it can also support small-scale fisheries in developing countries.

**We're in the midst of a global trade war, and some say running the WTO is the job from hell. Why do you want it?**

First, I'm really passionate about trade. Trade is not an end in itself, it's a means to an end. We've seen it as an instrument that helps deliver development. And, if properly managed, those who have been marginalised can be brought in. Those are things that the WTO should be looking at.

***'The world is so interconnected now that no one is safe until everyone is safe'***

**Given the current schisms, how would you get agreement among the WTO members?**

I see the ability for developing countries to benefit whilst not taking away from developed countries. To get there, you need an honest broker, someone who knows the subject but with strong political and negotiating skills, the managerial skills to move things and also be someone who can listen well, who is very solutions-oriented.

We have to go back to the fundamentals: stability, predictability, non-discrimination, fairness, transparency – these are the important principles on which the WTO and the world trading system were founded. It stopped trade wars and it can deliver again.

**What personal qualities would you bring to the job?**

To get people back to those fundamental principles, to see that sometimes when you're involved in an issue so deep down, you need someone who can step back, bring a fresh pair of eyes and ears. [...] You need energy, you need enthusiasm, you need to see opportunity where there are challenges – and that's me. ●





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# Quarter



MICHAEL TEWELDE/AFP

*The Africa Report's* exclusive guide to the quarter ahead features key events from the worlds of politics, business and culture to navigate you through **July, August & September**. See where East Africa's vast locust swarms are heading (page 14), what are the chances that an African citizen will be the new director general of the WTO later this year (page 18), and catch up on Naija news ahead of independence day with our Nigeria Diary (page 20).



## POETRY

Saaleha Idrees Bamjee's debut book of poetry, *Zikr*, won the Ingrid Jonker Prize for South African poetry in July. A member of the committee praised the author and journalist, who "writes poignantly of longing and loss. She figures the female body – her own and that of others – and explores the difficulties of being Muslim while also celebrating her reverence for her religion and the Arabic language."



## \$60m

Zimbabwe's former health minister Obadiah Moyo is due back in court for a corruption case about an inflated contract for supplies to fight the Covid-19 pandemic from the United Arab Emirates-based Drax International.

*'Laughing is not a crime. Criminalising one's humour is a new low in Tanzania's unrelenting clampdown on freedom of expression'*

## DEPROSE MUCHENA

The Amnesty regional director railed against comedian Idris Sultan being taken to court over a SIM card after he posted a video of himself laughing at a photo of President John Magufuli.

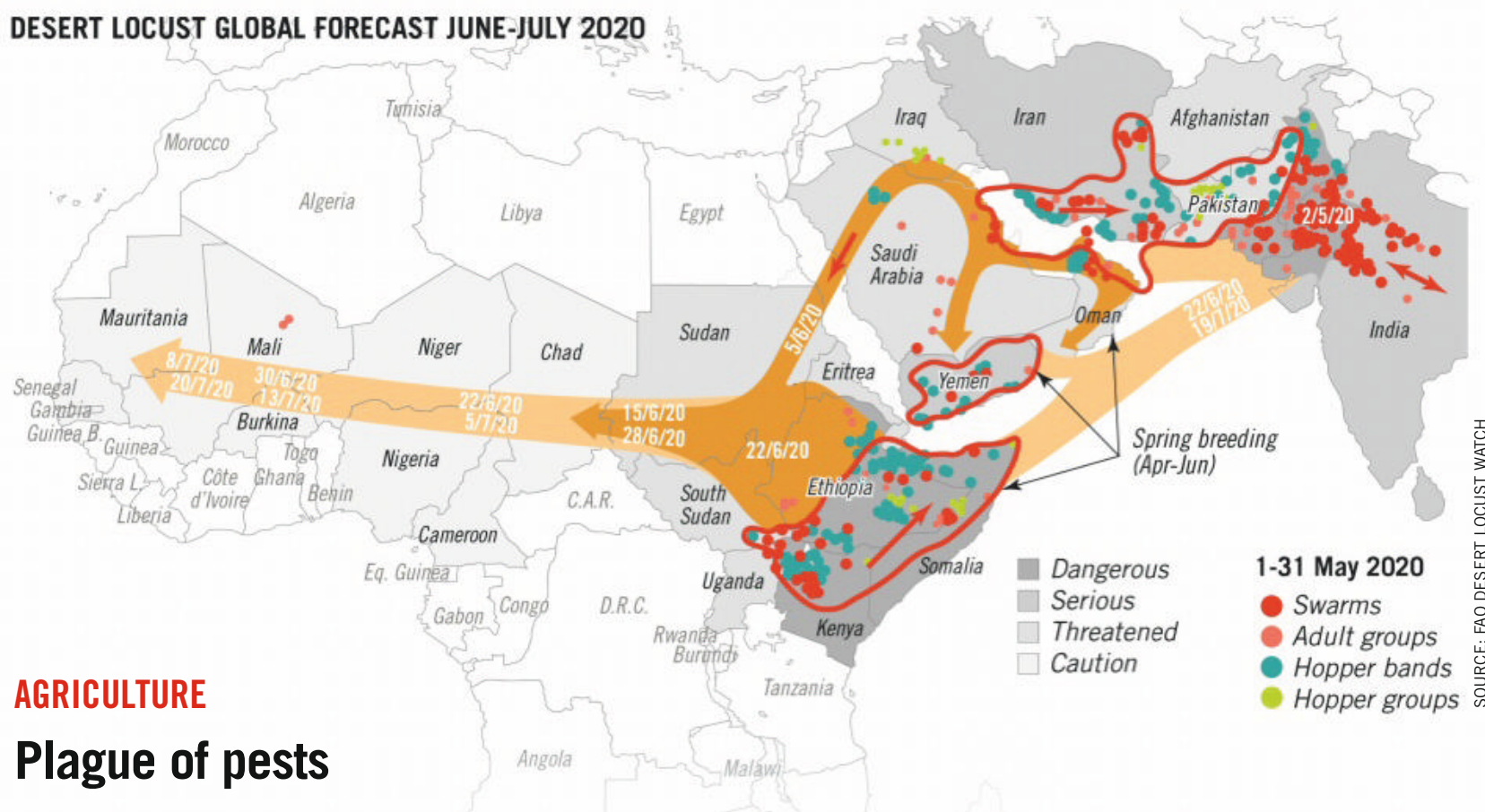


## GOLD MINING

With the Covid-19 crisis sending many investors into safe havens, the price of gold is rising. Mining companies are keen to get back to business,

and South Africa's Harmony Gold says it expects to resume full production levels as of the middle of July. Earlier in the year it had predicted 1.4m ounces of annual production before withdrawing that guidance. In February, Harmony acquired AngloGold Ashanti's last South African mining assets for \$300m.

## DESERT LOCUST GLOBAL FORECAST JUNE-JULY 2020



## AGRICULTURE

### Plague of pests

While most eyes are on the rising number of cases of Covid-19 in Africa, billions of locusts that can blanket the sky and strip fields bare pose a huge threat to subsistence farmers in East Africa. Keith Cressman of the United Nations Food and Agriculture Organisation (FAO) told media: "In Kenya, it's the worst outbreak they've had to face in the last 70 years." Warm weather and plentiful rains are conducive to the growth of massive locust swarms. The World Bank and FAO have pledged \$800m to help countries that are affected by the pests.





**AfCFTA**

## Trade delayed

The African Continental Free Trade Area (AfCFTA), which was due to be implemented on 1 July, was postponed due to Covid-19 and is scheduled to launch operations in January 2021. The pandemic led African countries to shut down their borders, leaving long queues of lorries in some places. When the bloc becomes operational, it will be the largest free-trading area in the world, covering some 1.3 billion people in a \$3.4trn economic bloc. Intra-African trade was 18% in 2019, and policy-makers predict it could be twice that level under the AfCFTA in 2040.

The coronavirus pandemic hit many African economies hard. The decline can primarily be attributed to major contractions in South Africa, Nigeria

and Angola, which depend largely on exports of commodities whose prices crashed. But UN Assistant Secretary General Ahunna Eziakonwa pointed out in an article that ‘Covid-19 has demonstrated Africa’s ingenuity and surfaced the footprints of the productive capacity we long sought. Necessity has birthed innovation – from Ghana’s hand sanitisers to Rwanda’s facemasks [...], to ventilators in Kenya, to testing kits in Senegal and Cote d’Ivoire.’

AfCFTA Secretary General Wamkele Mene argues that facilitating intra-African trade will be a “stimulus package” for the continent. Mene says that he and his colleagues will use the additional time granted them to address the technical issues that were not resolved earlier this year. Diplomats need to negotiate the terms of rules of origin – how to define what can be labelled as ‘Made in Africa’.



### NILE DAM

“For us it is the second most important thing after human life,” said Ethiopia’s Prime Minister Abiy Ahmed, confirming that the Grand Ethiopian Renaissance Dam (GERD) would begin filling up in July. He said this would not hurt the chances of a mooted agreement with Sudan and Egypt to manage GERD’s impact downstream.

*‘That is our burden [...] as we go into the next phase of the pandemic’*

**DAVID MAKHURA**

Gauteng’s premier said that the South African province’s 15.2 million population requires more resources for health care. July will be crucial as cases almost doubled in the first two weeks of June, after lockdown easing.

# 417,000

Nigeria was supposed to cut 417,000 barrels per day from its national production as of 1 May as part of the OPEC+ deal to cope with low prices, but it missed that target. The government expected to meet that goal by the middle of July and then reduce production by about 40,000 barrels per day until it makes up for its overproduction. The World Bank is predicting a bad recession in Nigeria and growth of -3.2% in 2020. In human terms, the Bank estimated that economic crisis could cause 5 million people to fall under the poverty line.



## 7,195

South Africa's health minister, Zweli Mkhize, sounded alarm bells on 8 July, saying that the country could run out of intensive-care beds by early August as the number of Covid-19 cases continued to rise. Data is hard to come by, but according to figures from 2013 quoted by Professor Alex van den Heever at Wits School of Governance in March, the country had about 7,195 critical-care beds, of which only 2,238 were in the public sector. By early July, the country had recorded 215,855 cases of the novel coronavirus.

*'We project now that our peak will be in August and September, but remember modelling keeps on changing'*

### MUTAH KAGWE

Back in late May, Kenya's cabinet secretary for health argued that the country's battle against Covid-19 could intensify before the end of the year.



The Covid-19 crisis is hitting the African aviation sector hard, making the Kenyan government's plans to take over Kenya Airways all the more important. "We are committed to ensuring the airline receives the necessary support to reclaim its lost glory," transport committee chairman David Pkosing told reporters when announcing the legal framework should be ready by August.



### SUN POWER

More companies in Africa are turning to renewable projects to supply power for mining and other industrial activity. In August, Solgas Energy will launch its 5MW solar power plant in the mining town of Hwange, western Zimbabwe.

### VIRTUAL CONFERENCING

The Covid-19 pandemic has hurt business tourism in Africa, but some conference organisers are turning to online meet-ups to avoid cancelling events. Others are postponing them far into the future.

#### 2020 PowerAfrica conference

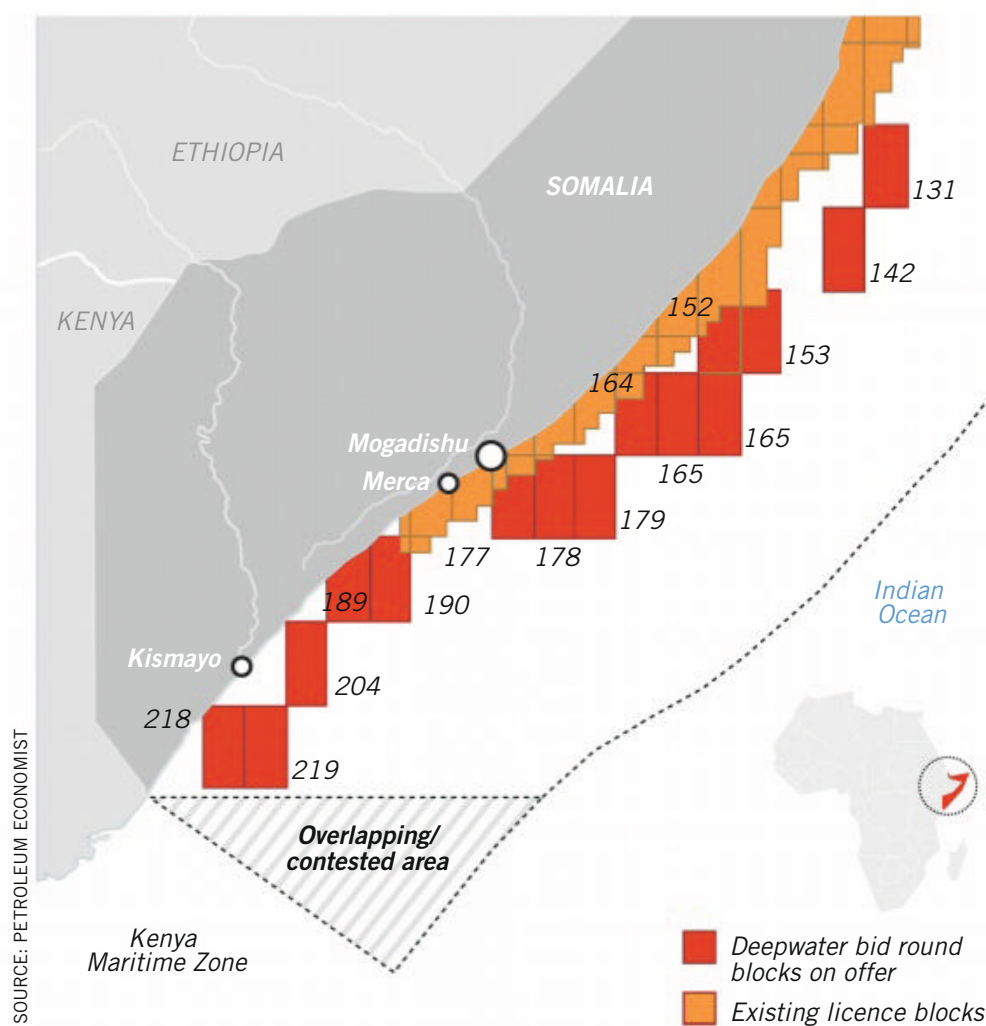
Sustainable and smart energy are two of the main topics to be discussed at the 25-28 August virtual event, which was originally due to take place in Nairobi.

#### Africa Nutrition Conference

Zambia holds onto the rights to host this meeting about food security and sustainable development on the continent, originally planned for 10-14 August. It will now be held at some point in 2022.

#### Digital Africa Conference

This event, planned for June in Nigeria, will instead be held online on 25-27 August to discuss the impact of Covid-19 on the future of technology in Africa.



### SOMALIA

## Oily gamble

Having dampened tensions over its border dispute with Kenya, the Mogadishu government is going ahead with plans for an oil-bidding round, despite hard-hit global oil prices. The bidding process starts in August and is expected to wrap up in March 2021. International oil companies have been wary of investment in Somalia due to its civil conflict and disputes with neighbouring countries. The government hopes that oil and gas exploration will provide much-needed government revenue. The International Court of Justice is due to hear the Kenya-Somalia case soon, but it may be delayed due to the global health crisis.





Staff disinfect the Addis Ababa light rail, which was the first of its kind in sub-Saharan Africa

MICHAEL TEWELDE/AFP

## ETHIOPIA

# Abiy forced to slow down

Go too fast and you risk crashing and burning; go too slow and you may get dragged down by inertia. This is the dilemma facing Ethiopia's reformist Prime Minister Abiy Ahmed as the Covid-19 crisis puts the brakes on activity and thus increases pressure on the Addis regime. He had planned for elections to be held in August to get a democratic mandate for his newly created Prosperity Party and to open the door for opposition parties to compete. The polls have now been delayed until next year.

More and more cracks are showing in Ethiopia's power base, with regional tensions coming to the fore. The Tigray People's Liberation Front, which was the dominant force in the then ruling Ethiopian People's Revolutionary Democratic Front, refused to join its successor, the Prosperity Party and is pushing for polls to be held in spite of the threat of spreading Covid-19 infection.

Abiy is from the Oromo ethnic group, the country's largest. It had never had one of its own run the country. The country's constitution enshrines the principles of ethnic federalism and self-determination, and Abiy's rise to power has brought those ideas to the fore. In early July, hundreds of people were killed in violent protests after Oromo musician Haacaaluu Hundeessaa was killed.

There are worries that Abiy will increasingly turn to the authoritarian's playbook in order to deal with the unrest. He has already pointed the finger at "external forces" that he says want to destabilise the country. Diplomats say that Ethiopia's conflict with Egypt over the Grand Ethiopian Renaissance Dam is nearing a peaceful resolution. That could give him some breathing space but would still leave many obstacles to slow down his liberalisation efforts and complicate the debate about Ethiopia's future economy and society.

## APPOINTMENT



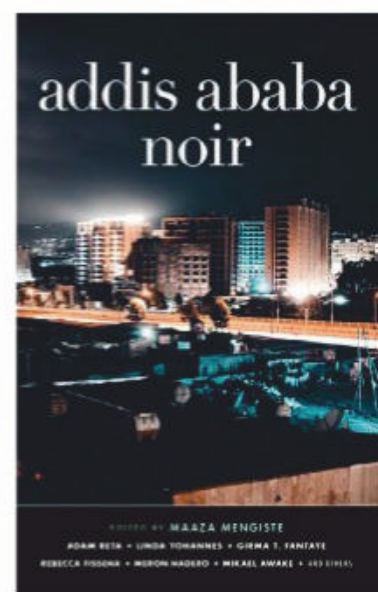
### CRAIG VAN ROOYEN

The Liquid Telecom chief operating officer is getting a temporary bump by stepping up as interim CEO in August until the company finds someone to replace Reshaad Sha.

LISA

# \$10m

African starts-up seeking venture capital from \$500,000 up to \$10m, have until 14 August to apply for VC4A's annual Venture Showcase – Series A. The showcase will take place as a virtual gathering in October due to global health conditions and has already helped raise more than \$100m for innovative firms.



## BOOK

Award-winning Ethiopian-American author Maaza Mengiste, writer of the acclaimed novel *Beneath the Lion's Gaze*, has edited this much-awaited volume of short stories in the noir genre set in Addis Ababa. It is a chance to discover many gripping voices from the city's writers and experience the many facets of the city itself, with each story set in a different area of the fast-growing Ethiopian capital.





Amina C. Mohamed, former international trade minister, Kenya

Abdel-Hamid Mamdouh, former WTO official, Egypt

JEWEL SAMAD/AFP; FABRICE COFFRINI/AFP

## WORLD TRADE ORGANISATION

### Time for Africa's first director general?

An African candidate has a strong chance of winning elections for director-general of the World Trade Organisation (WTO) in September. The continent's biggest problem is its failure to unite around a single candidate – leaving room for a contender from another region to build support as a consensus figure among the WTO's 164 members.

Competing for the job that Brazil's Roberto Azevêdo will leave on 31 August are: Nigeria's former economy minister Ngozi Okonjo-Iweala (see page 10), Egypt's former WTO official Abdel-Hamid Mamdouh, and Kenya's Amina C. Mohamed, a former international trade minister. Frontrunners from other regions include Mexico's Jesús Seade Kuri and South Korea's Yoo Myung-hee. The WTO's General Council started consultations in July with member states over their preferred choices. These will last until early September, when two leading candidates from the eight nominees are expected to emerge. Mamdouh insists he is the only candidate with the backing of the African Union. For her part, Okonjo-Iweala is campaigning as a reformist, writing in June: 'Many people regard [the WTO] as an ineffective policeman of an outdated rulebook that is unsuited for the challenges of the 21st-century global economy.' And Mohamed is championing free trade and international cooperation, arguing in April that "governments must not be frightened into short-term protectionist fixes".

Amidst the Covid-19 pandemic, Brexit and the unilateralism of the US government under President Donald Trump, it is a critical time for the WTO. Free-trade talks have stalled, its dispute mechanism has been suspended and a strategically important ministerial meeting is due next year. Washington and Beijing fight out some of their trade rivalries at the WTO – whoever wins the top job there has to find a way to resolve those multi-trillion-dollar arguments. It will require formidable political will and negotiating talent.

## APPOINTMENTS



### IBRAHIMA CHEIKH DIONG

The head of ACT Afrique Group will become the director of the African Risk Capacity agency of the African Union, which seeks to build capacity to deal with natural disasters on the continent.



### AKINWUMI ADESINA

Should he be cleared of corruption allegations that dog him, the AfDB president is expected to start his second term in office in September after being re-elected unopposed.

ALL RIGHTS RESERVED; C. GOODNEY/BLOOMBERG VIA GETTY IMAGES

# 600,000

There are plans for South Africa to reopen to international tourism in September, but industry groups say the sector will already have suffered massive damage. The Tourism Business Council of South Africa predicts that 600,000 direct jobs will be lost in the tourism industry if the country sticks to that time frame. UNCTAD says

South Africa will be one of the hardest-hit economies due to the huge drop in international tourism, with the sector's difficulties contributing to a potential 3% drop in GDP this year.



## RAWBANK'S CSR

A new dynamic is at work within the African private sector. Driven by actors of all sizes and from all fields, corporate social responsibility is emerging as a new lever for Africa's development. Rawbank is proud to take part in the DRC's social and environmental advancement

Rawbank's growth model has always had one objective: to make a lasting contribution to the development of the Democratic Republic of Congo. In order to make a long-term difference, we have chosen to be more specifically involved in achieving 5 of the 17 Sustainable Development Goals: poverty eradication, good health and well-being, education, gender equality and the fight against climate change. By implementing these objectives on a daily basis we aspire, beyond improving the impact of our activity, to accelerate the mobilization of those who, like Rawbank, make up the economic landscape of the DRC.

In Africa, 90% of companies are SMEs, who often face difficulties in accessing funding or appropriate support. We are convinced that by contributing to their development and structuring, we are accelerating the continent's development. Thus, we have developed Business Edge, a training module dedicated to capacity building for entrepreneurs.

Women who embark on the entrepreneurial path tend to face even more challenges. At Rawbank, we believe they have a major role to play in the development of the DRC. In 2010 we have deployed the Lady's First program in partnership with the International Finance Corporation (IFC) to facilitate women entrepreneurs' access to funding and support them in starting and managing their businesses.



Rawbank's adhesion to the HeforShe program, in the presence of Fatou Giwa, UN Women Deputy Representative in DRC

Rawbank supports women's leadership and parity is at the core of the bank's HR policy: one third of our 1,700 employees are women. With the signature at the end of 2019 of the HeforShe Commit-



Women Entrepreneurs Celebrating the 10<sup>th</sup> Anniversary of Rawbank's Lady's First Program

ment Act, Rawbank has strengthened its pledge to gender issues and paved the way for a groundbreaking Congolese commitment on the subject (photo "HeforShe", Caption: Jok Oga, Director of Human Capital at Rawbank and Fatou Giwa, UN Women Deputy Representative in DRC).

Finally, we believe that our workforce will be our greatest tool to sustain our position as a leader in the DRC's banking sector. To enable each employee to build a career path that matches his or her ambitions, the bank has created a training center dedicated to banking professions: the Rawbank Academy.



Le savoir n'est pas un pouvoir, c'est un trésor qu'il faut savoir partager

This portfolio of actions reflects our vision for the DRC : we believe that by combining and capitalizing on the strengths of all stakeholders, the country will emerge.

### Contact :

66 avenue colonel Lukusa, Gombe - Kinshasa, Democratic Republic of Congo.  
Phone : +243 99 60 16 300 / Free Number : 4488





## 'All institutions must comply with Covid-19 regulations or risk closure'

GEORGE MAGOHA

Kenya's cabinet secretary for education said schools will remain closed in September, but universities can open under strict conditions.

### BOOK

Ghanaian-American Yaa Gyasi won a vast swathe of fans with her debut novel, *Homegoing*, and is set to add to her stable with her second novel, *Transcendent Kingdom*. Telling the story of a Ghanaian student in California with family in the US Deep South, she engages beautifully with immigrant experiences and the various pulls and pushes of science, religion, family, grief and depression.



## NIGERIA DIARY



### COVID-19

## Respite and the restart

When Seyi Tinubu, the CEO of Loatsad Promomedia, wanted to distribute boxes of meals to the Lagos suburb of Agege in April, his security detail refused. The '1 Million Boys' criminal gang had just hit the area. Tinubu and his team went, anyway. "Actually, Mushin was the worst," says Tinubu. "Windscreens were smashed, a few volunteers were dragged out of their Hiluxes." Given the links between unrest and hunger, however, staying at home was not an option, says Tinubu.

The pandemic has brought out the best in Nigeria's business community, with Dangote, Indomie, Flour Mills, Mikano, Pepsi and Eric Kayser all contributing to boxes donated by the charity FoodClique. Now, thoughts are turning to the restart of the economy, to avoid the medical emergency turning into a major economic downturn.

Foreign investors are one part of that restart. France is finally launching its year of African culture, 'Afrique2020', which has been delayed by Covid-19. Backed by the Gilbert and Rose-Marie Chagoury Foundation, "its aim is to change the image of Africa in general, and especially for Nigeria, showcasing every field of art," says Gilbert-Antoine Chagoury Junior of the foundation. A gala dinner bringing together Africa's business elite with European investors will kick off the season in Paris in December.

### NLNG brings ray of sunshine

Nigeria LNG is going ahead with the \$4bn Train 7 project, backed in part by French oil company Total. Its sign-off in December means five years' worth of investment, with some energy-sector contractors thrown a lifeline in a world of cheap oil and gas. Train 7 will add an extra 30% to NLNG's gas exports, which will rise from 22 to 30mtpa.

### Football fans learn patience



Covid-19 has turned football into a waiting game, with the Nigerian football league and Aiteo Cup cancellations a blow to sports fans. The next Super Eagles confrontation will be at the Africa Cup of Nations, which has been postponed 12 months to January 2022.

### Political divorce

Where football fails to provide drama, Nigerians can always turn to politics. The soap opera of the governing All Progressives Congress – Will it stay together? Who is really in charge? – dominates debates. Next instalment will be Edo State's governorship elections in September. Godwin Obaseki is running for re-election and recently quit the APC.

### Virus hits sacred spaces



Lagos State governor Babajide Sanwo-Olu faces a tough call. Having pushed back schools reopening to 3 August, he is being pressured to reopen churches and mosques, despite research suggesting religious gatherings have helped spread the virus.

**Don't miss our 'NIGERIA AT 60' special in the next edition of The Africa Report!**



## Togo invests in its women and young people

For over a decade now, the government of Togo has been implementing programmes and projects dedicated to the empowerment of women and young people. These two segments of the population are more affected than others by unemployment and difficulties in accessing credit and land. By empowering them and according them their rightful place in society, the government's ambition is to make them a real driver of Togo's development and to foster the rise of responsible generations that cherish the values of peace and solidarity and are committed to their country's sustainable development. Although significant progress has been made in recent years, particularly in terms of creating job opportunities, there are still considerable challenges. The government is addressing

them through the implementation of the National Development Plan (2018-2022). In addition to existing institutional support mechanisms, the gender and youth component is included in all of Togo's development projects and programmes.







*A young processing industry entrepreneur.*



*President Faure Gnassingbé of the Republic of Togo tours a store belonging to JCAT, an organic soybean production and export company.*

## Training, entrepreneurship and jobs

Employment is one of the main means of empowering women and young people and allows them to contribute to their country's development. A 2017 survey showed a slight increase in the unemployment rate between 2015 and 2017 (3.4% to 3.9%), while underemployment fell significantly (25.8% to 16.1%), highlighting the decent quality of the jobs created. Youth unemployment and underemployment rates, which reached 8.1% and 20.5% in 2015, dropped to 6.8% and 18.9% respectively.

## Access to land and finance: improving women's status

Among Togolese women of working age (15-64 years), 74.6% are employed, compared with 79.1% for men. However, most of them work in agriculture (51.1% of the workforce), a mainly informal sector. As a result, they have limited productivity and access to production factors necessary for profitable entrepreneurship such as land and finance, as well as technology. Only 20% of women aged 45-49 years own land (2013-2014 survey). They rely mainly on microfinance, which only covers micro-projects at often high interest rates.

One of the flagship initiatives contributing to the empowerment of rural women is the National Multifunctional Platform Development Programme (PTFM). It was introduced in 2011 and provides basic energy infrastructure, empowering rural communities to carry out food processing and income-generating activities. Since then, 336 PTFMs have been implemented, increasing the income of women beneficiaries from 25% to 50% and providing literacy training to 1,420 members of PTFM groups in 2019.

## Made-to-measure "youth solutions"

Over the last six years, the government has rolled out a number of programmes, based

on the National Employment Policy and the National Strategic Plan for Youth Employment (PSNEJ), both of which were put in place in 2014. Accordingly, the volume of budgetary expenditure devoted to youth employment and employability tripled from an average of 5 billion CFA francs between 2013 and 2014 to nearly 15 billion CFA francs in 2018.

The measures taken are designed to reduce underemployment, boost employability, promote entrepreneurship and improve coordination mechanisms. In addition, the National Inclusive Finance Fund (FNFI), the Youth Economic Initiatives Support Fund (FAIEJ) and projects such



*An FNFI beneficiary sells her grain at the market.*

as the Grassroots Development Support Programme (PRADEB), the Support Project for Youth Employability and Integration in Growth Sectors (PAEIJ-SP) and the National Rural Entrepreneurship Project (PNPER) are facilitating access to credit from microfinance institutions and to business and financial education training.

At the same time, there has been a lot of support for Togolese innovation, in particular by setting up the Nunyalab incubator to help young Togolese people develop their potential, and by allocating a quota of 25% of public contracts to young entrepreneurs, which made it possible to award more than 28 billion in public contracts between 2018 and 2019 to 4,372 young people, of which 1,886 are women.

Young people in vulnerable situations will not be left behind. Several specific measures are being implemented for their benefit, such as the "Employment

Opportunities for Vulnerable Youth" (EJV) project and the Volunteer of Citizen Engagement (VEC) project, which targets young people who have dropped out of school or who have not had the opportunity to pursue vocational education. These young people are recruited to work in rural and peri-urban areas. Nearly 30,000 young people have been trained under these programmes to serve communities in some 100 villages.

These efforts have yielded the following results:

- Approximately 30,000 volunteers have been recruited, of which 30% are women and 16,000 are VECs. In addition, the EJV has brought on board a little over 8,000 young people, of whom nearly 45% are women.
- More than 250,000 temporary jobs were created for women and young people through labour-intensive projects (THIMO) promoted by the Grassroots Initiative Support Agency.
- Just over 200,000 direct and indirect jobs were generated by young people who benefited from the training and financing mechanisms put in place.
- The PAEIJ-SP has helped to create nearly 125,000 direct and indirect jobs and to encourage young farmers to start processing local produce.

## The PAEIJ-SP, an innovative project that generates sustainable jobs for young people across the entire agricultural value chain

Togo has benefited from an African Development Bank (AfDB) fund of 11.935 billion CFA francs to implement the Support Project for Youth Employability and Integration in Growth Sectors (PAEIJ-SP). Implemented according to the agricultural value chain approach, the project brings all stakeholders working in the same agricultural value chain together, in a business relationship, to produce for a market.





## ECONOMIC DEVELOPMENT

# Togo invests in its women and young people



It thus provides a structural solution to youth employment by developing tools for prospecting and adapting to labour market requirements. Ultimately, it will help reduce poverty and unemployment among Togo's youth.

## Exceeding expected results

The project aimed in the medium term to improve entrepreneurship support beneficiaries' incomes by more than 25% and to create at least 20,000 direct jobs over five years. Within three years, the project had already generated more than 30,000 direct jobs and over 121,000 seasonal jobs in the first quarter of 2020. More than 20 agribusiness companies have benefited from technical assistance in terms of structuring and training as well as financial support to boost their activities.

**70,000 young people trained,  
20,000 companies,  
60,000 sustainable  
jobs created,  
30,230,127,021 CFA francs  
in finance granted  
to young people**

One such company is JCAT, based in Atakpamé in the Plateaux region, which produces and markets organic soybeans and currently exports over 15,000 tons of soybeans annually to France and Italy, whereas in 2017 its export capacity was 1,000 tons. Its cluster has generated turnover in excess of 4 billion CFA francs for the 2019-2020 crop year, along with 11,200 direct jobs and 44,500 seasonal jobs in production, supply, processing and distribution services.

Lome-based company AGROKOM, before entering into partnership with PAEIJ-SP in 2016, was processing or marketing only 200 tons of soybeans a year; it currently markets over 6,000 tons of soy-



*A young poultry entrepreneur presents his products at an agricultural fair.*

beans annually and generates more than 1.680 billion CFA francs in annual sales. Its cluster has created 7,464 direct jobs and 43,694 seasonal jobs in production, supply, processing and distribution services.

Over the same period, 13,500 young people were recruited as national volunteers and deployed throughout the country. The FNFI reached 706,330 beneficiaries. AGRISEF (Farmers' Access to Financial Services) and AJSEF (Youth Access to Financial Services), two FNFI programmes, assisted 152,188 beneficiaries, including 76,414 young people. Since 2017, the beneficiaries of the fund are also entitled to health insurance (FNFI insurance).

## The NDP takes things further

Initiatives are being developed to better understand needs in the growth centres and discussions are continuing with the private sector to fill any gaps.

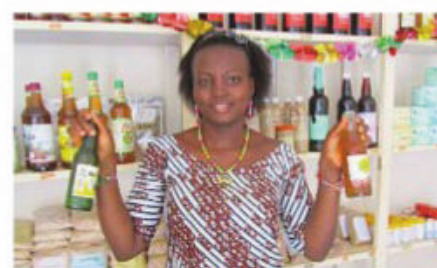
The government of Togo's actions to promote youth employment through the implementation of the National Development Plan (PND) is guided by six major objectives:

- Improving the institutional framework and the macroeconomic environment
- Setting-up an efficient information system (reliable data collection and data on the impact of initiatives dedicated to youth)
- Improving technical and vocational education and training, in relation to the job market
- Supporting the setting-up and development of SMEs
- Increasing young people's access to credit and technology
- Building a coherent public and private partnership framework.

## WOMEN IN THE ECONOMY: NDP NUMERICAL TARGETS

The government continues to advance gender equity and equality, while working to promote women's entrepreneurship. It thus aims to:

- increase the share of women business owners from 22.42% in 2015 to 28% in 2022
- increase the share of women with access to credit from 44.36% in 2015 to 60% in 2022
- increase the percentage of female agricultural workers from 58.11% in 2015 to 80% in 2022
- increase the percentage of women landowners in agriculture from 19.9% in 2015 to 26% in 2022



**Lucia Allah-Assogba,  
champion of local product  
promotion**

Lucia Alla-Assogba, winner of the 2017 Best Young Francophone Entrepreneur Award and one of the 10 Most Inspiring Black Women in 2019 according to the results of the first edition of the Concours International Femmes Noires Inspirantes, heads Togossimé, a company specialising in the promotion of local natural products that has been a resounding success. Since 2019, a second Togossimé store has been supplying consumers with local products. This means 600 organic products from 150 producers throughout the country, stocked in the young entrepreneur's shops.





## ECONOMIC DEVELOPMENT

# Togo invests in its women and young people



*Faure Gnassingbé meets women beneficiaries of the various FNFI products, gathered within the Federation of Financial Services Beneficiaries (FEBESEF).*



*Young women entrepreneurs exhibit their products at a fair.*

## Equal rights, equal opportunities for women and men

The principle according to which “men and women are equal before the law”, enshrined in Article 11 of the Constitution, is being applied through numerous institutional advances, in particular the National Policy of Equity and Equality (PNEEG) since 2011.



The twice revised Personal and Family Code, in 2012 and 2014, made it possible, inter alia, to set the same marriage age for both sexes and to restore equality between spouses. This revision also made it possible to abolish the status of “head of the family”, until then reserved for the husband.

The Penal Code revised in 2015 strengthens the legal protection of women and girls by including specific provisions on genital mutilation, rape, paedophilia and violence against women.

The 2012 electoral code, revised in 2013, incorporates exceptional measures to improve women’s participation in political governance. For example, the endorsement requirement for women candidates in legislative elections has been halved, while the principle of parity of lists of candidates for legislative elections has been enshrined, giving tangible expression to

**Women and girls enjoy equal land rights and equal access to land, fisheries and forests. Even where land is held under customary law, equal access to land must be respected.**

the Head of State’s political will, affirmed in 2012, even though, in practice, there is still a great deal that needs doing.

The general principles of the new Code on Private- and State-owned Land, adopted in June 2018, ensure that the State guarantees respect for the equal access of men and women to land. It must “ensure that women and girls enjoy equal land rights and equal access to land, fisheries and forests”.

It states that even “where land is held under customary law, equal gender access to land must be respected”. This was not necessarily the case before.

## Education: doing more for girls

There are also gender disparities in education. Although parity has almost been achieved in primary education, girls’ enrolment in secondary education is very low, and even more so in higher education and vocational education. Less than a third of women have secondary education (survey 2014\*), compared to more than half of men. Men with university education are up to three times more numerous than women.

\*INSEED integrated regional survey on employment and the informal sector



RÉPUBLIQUE TOGOLAISE



# Features



WIDE ANGLE

## BRACE FOR IMPACT

*The Africa Report* explores the wide-reaching changes that the Covid-19 crisis is bringing to Africa. The AfDB predicts -3.4% economic growth as the worst-case scenario this year. We zero in on how reformers can use the fast-moving situation to accelerate improvements across health and other sectors (p28). We also talk to Nigerian magnate **Abdul Samad Rabiu (p34)** about businesses' adaptation strategies and plans for this new period.



President Cyril Ramaphosa will have to let down his mask on the SAA bailout question

JEROME DELAY/POOL VIA REUTERS



## South Africa

# WILL RAMAPHOSA SEIZE A REVOLUTIONARY MOMENT?

If South Africa's President Cyril Ramaphosa wanted a pretext to do radical things, this is his best chance – with a global economic meltdown as collateral damage from the pandemic. Everyone around the governing African National Congress (ANC) is dreaming up insurgent policies.

The business cabal think it is time for the ANC to dump its lukewarm Fabian socialism and let market forces rip. The leftists say capitalism is breathing its last and the National Democratic Revolution is dawning.

That is, the state should take over those ailing conglomerates on the JSE. And they want a swingeing wealth tax on the well-fed elite, as well as land redistribution. All of that will be needed to fund an ambitious national health insurance scheme to deal with the next pandemic.

Ramaphosa and his market-minded finance minister, Tito Mboweni, agree the pandemic's devastating consequences will force far-reaching structural changes. There is no consensus about what those changes should be and who should pay for them.

The economy entered a recession in the second quarter of the year as the government's lockdown measures shut down the country. The central bank predicts national output will have fallen by more than 7% by the end of 2020, the biggest drop since the Great Depression in 1931.

This comes on top of Ramaphosa's dire inheritance after a decade of Jacob Zuma's presidency. Bonang Mohale, chairman of the giant Bidvest Group, reckons the accumulated cost of 'state capture' by Zuma's business allies at R1.5trn (\$88bn). Total public

debt is set to hit 80% of national income this year and the budget deficit is likely to be 15% of GDP.

Last year, Mboweni set out a shock-therapy programme to stabilise the economy: at its core was the aim of ending bailouts for state-owned companies – all except Eskom, the power utility. Follow the logic and Mboweni left three unpalatable options for his critics in the ANC: let the companies collapse, get rid of their remaining assets in a fire sale or privatise them.

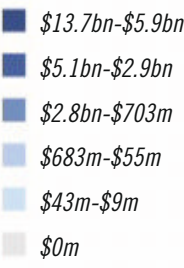
An early sign will be the fate of South African Airways. Mboweni asks why the government should pay another penny to the bloated and mismanaged state carrier. Ramaphosa is said to agree with him in private but has steered a middle course in public debate, mindful of the jobs at stake and the blow to national pride.

Another dilemma looms after the government broke with precedent and borrowed \$4bn from the IMF in April. It is now heading back for another credit, and the negotiations will be tougher, with conditions such as cutting the deficit and ending bailouts. That will test Ramaphosa's revolutionary credentials in full public view. •





CHINESE LOANS TO AFRICA



JOHNS HOPKINS UNIVERSITY SAIS-CARI

diplomacy

GROWING US-CHINA COLD WAR PLAYS OUT IN AFRICA

The former UK prime minister Tony Blair chats with more than a dozen African presidents on his WhatsApp. The one subject they are asking most about? “They all want to know how to navigate the confrontation between China and the US,” Blair tells *The Africa Report*. His answer: make the African Continental Free Trade Area just the beginning of a far greater political and economic integration, to give Africa heft on the world stage.

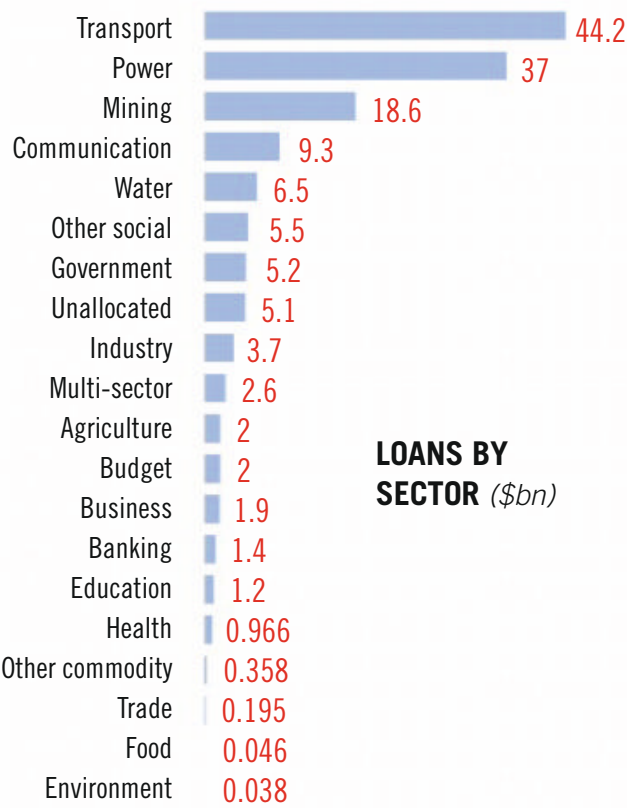
Pan-African institution building is the right move, but even the most optimistic are talking in years, not months. So what about today, amidst soft-power and other jockeying for position between China and the US during the Covid-19 crisis? The often hysterical criticism by US cable-TV hosts of Ethiopia’s Tedros Adhanom Ghebreyesus at the helm of the WHO blends into a broader US critique of ‘debt diplomacy’, whereby officials accuse Beijing of wanting to bring African countries into its orbit through underhanded infrastructure deals. But Chinese medical aid was in the African headlines this year (see page 90), and the US largely withdrew into its own worsening Covid-19 outbreaks.

Beyond the US-China trade-war impacts – which are not particularly welcome in a world facing a sharp downturn – there are other faultlines to navigate. These are particularly sharp in technology. South Africa’s President Cyril Ramaphosa has already suggested the US is “jealous” in its hostility to China’s aggressive 5G plans.

Nevertheless, China does not hold all the aces while the dollar is king. Donald Trump has forbidden US companies from selling components to Huawei from 19 August. Huawei is the principal supplier for French mobile operator Orange in Africa. And if things really heat up? Does Kenya want to be locked into a Chinese payments ecosystem and potentially lose correspondent-banking privileges?

For Eric Olander, managing editor of The China Africa Project, it is time to tune out the rhetoric and look at the tells. In Beijing, he says, top diplomats and thrusting young financiers are no longer interested in the continent. According to him, Africa’s real problem is not China taking resources and land or debt enslavement; it is that China loses interest. China can now buy all the raw materials it needs on the open market, which was not the case 20 years ago. Its large companies are taking big hits on projects that are not coming good on the continent. Africa represents less than 4% of China’s total global trade of more than \$4trn – will it be worth the headache? •

Amount loaned  
\$147bn  
Number of loans  
1,077



LOANS BY SECTOR (\$bn)

LOANS BY YEAR (\$bn)







SYLVAIN CHERKAOUI/SIPA

health

Dakar, Senegal, was a frontrunner in rolling out testing for Covid-19

# HOW THE PANDEMIC IS RESHAPING HEALTHCARE SYSTEMS

Public health, above all other state functions, will undergo major changes as a result of the pandemic. The wake-up call for public health policy and systems is about resources, the structure of health services and a redoubling of the push for preventative medicine. The speed of the pandemic’s arrival in Africa and the rapid closure of

international travel routes have forced elites to face the consequences of decades of underfunding in public health services and medical training facilities. The effects of underfunding extend even to the private medical facilities because, across the world, high-quality private healthcare facilities depend on some minimal public

healthcare provision and training. Resources for public health have been growing along with national incomes in many African countries for the past two decades, but there have been no exponential leaps in healthcare. As economies slowed in recent years, health allocations have wavered. Although the Abuja declaration of 2001, agreed by

members of the African Union, set a target for governments to spend 15% of national budgets on public health, only the island economies of Mauritius and the Seychelles hit that mark. South Africa, the continent’s most industrialised economy, allocated 13.8% of its 2018 budget to public health, sourcing much of its medical equipment locally. Of the bigger economies, Kenya came next in 2018, allocating 9.2% of its budget to health, then Egypt (6.5%), Nigeria (4% at federal level and

policy

# PRESIDENTS PUT TO THE COVID-19 TEST



MACKY SALL

Acting fast with tough confinement rules proved effective, as did local innovators producing cheaper tests and developing new treatments.



NANA AKUFO-ADDO

Early implementation of lockdowns, speedy application for IMF stimulus funds, and forcing out rule-breaking officials have fended off bigger problems so far.



PAUL KAGAME

Made use of lockdown to silence dissent, but Rwanda’s lower case numbers contrasted sharply with poor-performing neighbours Burundi and Tanzania.



ALASSANE OUATTARA

Closing off Abidjan slowed transmission but poor communications prompted popular anger against economic hits and “fake news”.



MUHAMMADU BUHARI

Pre-emptive measures and top health professionals staved off disaster, but Buhari’s leadership has failed to rally the country.



6-8% at state level) and Ghana (3.8%).

Matshidiso Moeti, regional director for Africa at the World Health Organisation (WHO), argues that the pandemic will prove a turning point across the globe: “It has affected all the countries and quite a large number will have to take measures that will have a profound negative effect on their economies.”

Moeti’s team has been supporting governments to implement universal health coverage programmes, emphasising primary and preventative healthcare as well as digital innovations and better preparedness for epidemics.

If supported by its members, the WHO can help define the international rules needed to help control disease outbreaks. “There have been massive innovations in the way of responding to this pandemic, which I hope will be taken into the future,” concludes Moeti. •

## conflict

# WAR IN THE TIME OF COVID-19

Glimmers of hope that the worst pandemic for a century could somehow be a force for peace in Africa were shot down just as the first cases of Covid-19 were recorded on the continent. Islamist insurgents fighting in the Sahel and in north-east Nigeria stepped up attacks as the disease edged across West and North Africa. One rebel leader referred to Covid-19 as “God’s little soldier” due to the damage it was causing.

Insurgents, helped by a hodgepodge of local militias and traffickers of arms and drugs, were already rocking governments in Burkina Faso and Mali. Then, as the health crisis deepened, they pressed southwards, attacking a border post in northern Côte d’Ivoire in early July.

Taking the same cue, rebels in northern Mozambique ramped up their campaign in Cabo Delgado Province, just south of Africa’s biggest investment projects, the onshore and offshore gas export plants due to draw in as much as \$60bn.

Just as the pandemic exposed dysfunction in the international system supplying

public goods, it showed weaknesses in diplomatic efforts to broker even a pause in fighting. UN Secretary General António Guterres was a hopeful voice, calling for ceasefires in two long-running conflicts: in Cameroon and Libya. In June, rebel leader Khalifa Haftar pulled back his forces from Tripoli, not out of respect to the UN but due to heavyweight Turkish backing for the Tripoli government.

In Cameroon, a different, more promising story unfolded. After Guterres’s call for a 90-day ceasefire to create a humanitarian corridor and access for doctors to treat Covid-19 cases in Cameroon’s Anglophone regions, discreet talks started between the two sides. And a belated recognition that the key issues are political not military is emerging, according to Christopher Fomunyoh, of the US-based National Democratic Institute.

Here, the pandemic could drive peace initiatives, says Fomunyoh: “Were the government to announce a ceasefire, then that would trigger a lot of other positive developments.” •

Good handling of the crisis

Some positives, some problems

Big problems



### CYRIL RAMAPHOSA

Good marks for a fast response on lockdown and stimulus soon turned to protests as violent enforcement worsened and the virus spread.



### EMMERSON MNANGAGWA

Government exploited lockdowns to arrest and torture opponents while political elite and business allies profited from contracts.



### ANDRY RAJEOLINA

An early response was followed by premature relaxing of containment measures due to his promotion of Covid Organics. Spike in cases in early July.



### YOWERI MUSEVENI

Portraying himself as a guardian of national health including a home fitness video, Museveni reacted with harsh restrictions, hitting hard at opponents.



### ABDEL FATTAH AL-SISI

Case numbers severely underreported, especially in the military, but loans from the IMF and Gulf countries shore up the economy.

MICHAEL KAPPELER/ZUMA PRESS/ZUMA/REA; ACE/JA; VILLAGE URUGWIRO; MARK GARTEN/JUN; CIA PAK/JUN/2; JACQUES TORREGANO/AFRICA CEO FORUM/JA; PATRICK GELY/POOL/REA; ESKINDER DEBEBE/UN; DENIS/REA



## oil

## WILL DANGOTE LOSE HIS BET ON NIGERIA'S MEGA-REFINERY?

With oil prices going negative for the first time in history in late April, as Russia and Saudi Arabia raced to ramp up production in a saturated market, it looked like the death throes of the fossil-fuel industry. Suddenly, Nigerian magnate Aliko Dangote's \$12bn bet on building a 650,000 barrels per day (bpd) refinery (see page 62) was vulnerable to the merciless pandemic.

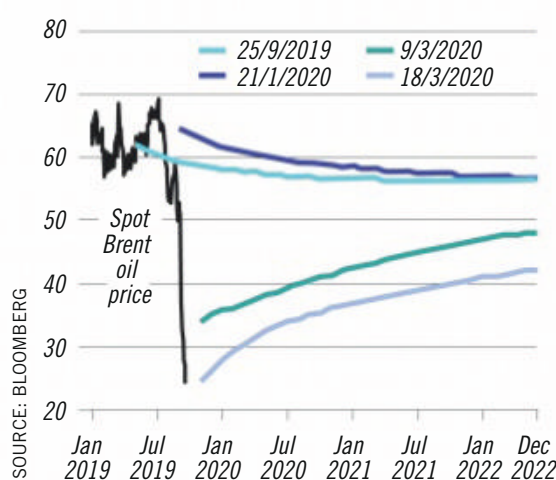
In Abuja, at the headquarters of the state-owned Nigerian National Petroleum Corporation (NNPC), the price crash triggered a rethink. Managing director Mele Kyari announced the end of fuel subsidies, a scheme that benefited oil traders and power politicians far more than the average Nigerian but cost more than \$2bn a year.

Another startling act was the publication – for the first time in the

NNPC's 43-year history – of full audited accounts of all its 20 units. More was due to come, with plans to fast-track a long-delayed petroleum industry reform bill which would have

### SPOT AND FORECASTS OF BRENT PRICE (US\$ a barrel; expiration dates on x-axis)

Futures Brent oil price before and after the OPEC+ alliance collapsed on 9 March



SOURCE: BLOOMBERG

turned the NNPC into an independent commercial organisation.

But the celebrants cracked open the sustainably-produced sparkling wine too soon. Within a month Saudi Arabia caved in, announcing a new production deal with its fellow OPEC members and Russia, and oil prices were heading back towards \$40 a barrel.

Dangote and his investors exhaled, through their exquisitely tailored N95 respirator masks. NNPC started to slow-roll the reforms. Dangote Inc. confirmed the refinery would open in late 2021. In truth, it was never at risk.

A mega-refinery supplying the 300,000 bpd domestic market with gasoline and selling another 350,000 bpd into Africa's regional markets could be the most profitable way for Nigeria to use its oil reserves over the next 20 years as the West and much of Asia switches to electric vehicles.

The pandemic price crash was the starkest warning to Nigeria, which still imports billions of dollars of petroleum products, that it must race downstream to build refineries, fertiliser and petrochemical plants or let the industry shut down. Dangote will win his bet, but it will be a rollercoaster ride. ●

## investment

## TEMPERATURE CHECK

The coronavirus pandemic is hitting the global economy hard. Some analysts argue that international players may take advantage of the crisis by looking for cheap African assets. Markets for risk assets in the developed world have already priced in a rapid recovery from Covid-19. That means there could be sharp disappointment if there is

a major second wave of the virus – which most scientists think is likely if a vaccination fails to emerge – or if the global recession looks like lasting for a long time. So investors in emerging and frontier markets stand a good chance of being able to get even cheaper prices in the future.

Between 2018 and 2019, Africa's foreign direct

investment inflows increased by 11% to \$46bn. This year, the United Nations Conference on Trade and Development (UNCTAD) initially predicted a continued rise. However, UNCTAD now expects a decrease of 15%. The tourism, airline and energy industries are most affected, due to the oil price drop and the global lockdowns which brought cancelled trips and travel bans.

In Ethiopia, a privatisation of the state-run telecommunications monopoly, Ethio Telecom, is going ahead despite the

pandemic. The Ethiopian Communications Authority has started to invite bidders, with new licences promising a flurry of activity. According to reports, as well as interest from African investors such as Kenya's Safaricom, South Africa's MTN and Zimbabwe's Econet Global, international companies such as France's Orange, UAE's Etisalat and UK-based Helios Towers are contemplating their next moves. The bidding intensity for the Ethio Telecom stake will be a key bellwether for investor sentiment in Africa in the year ahead. ●





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*solutions*

## THE SILVER LININGS CLUB

As the global financial architecture buckled in 2008, US President Barack Obama's chief of staff spied opportunity for reform. "Never let a good crisis go to waste," said Rahm Emanuel, as the administration started to push healthcare reform. The African Development Bank changed its January prediction of 3.9% growth for this year to -3.4% as a worst case in July. And according to the Africa Centres of Disease Control and Prevention and other sources, by 13 July, there had been 595,397 confirmed cases of Covid-19 and 13,251 deaths. Can there be any silver linings to the rolling disaster of Covid-19 for Africa? It is a question we have been asking in our coverage of the last few months. We gather here just some of the thoughts, which act more as a prompt for further reflection rather than a manifesto for change. While the immediate need is around failing healthcare systems, as the WHO's Matshidiso Moeti explains, a recurring theme in our conversations is the need for a step change in the urgency around development. Creating economies that are more robust will not be possible without structural reform, as the IMF's Abebe Selassie points out. And if you do not respect history, suggests Ethiopian author Maaza Mengiste with a nod to Black Lives Matter, you will have little purchase on your politics. •

### MATSHIDISO MOETI

WHO regional director for Africa



*'When heads of state [...] are looking at what resources to mobilise, what to invest in in the country, they'll recognise now public health as a core value, as part of your economic development and your path to prosperity'*

### ABEBE SELASSIE

IMF director for Africa



*'The collapse of the oil price is a moment to think about how to wean our countries off reliance on single commodities'*

### MAAZA MENGISTE

Author



*'History is very much alive. It is complicated and never binary. Topple statues, and you realise that what emerges is another discourse that should not — and could not — be erased.'*

*We are the sum of those conflicting histories, and we have come to recognise this more than ever'*



# Radisson Hotel Group gears up for accelerated African expansion

## What does the Radisson Hotel Group's African portfolio currently consist of?

From a single property 20 years ago, the group now has 45 hotels in operation and around 30 hotels under construction in over 32 countries, with an ambition to exceed 100 hotels by 2022.

Radisson Blu, the fastest growing hotel brand in Africa, remains our largest core brand with most of the existing presence. We are also pleased to have established each of our brands across the continent, from our midscale Park Inn by Radisson and luxury Radisson Collection, to our newly launched upscale Radisson brand and lifestyle Radisson RED.

## What is the group's expansion strategy for Africa?

We believe in creating a critical mass and city scale development strategy with a focus on key countries, such as Morocco, Egypt, Nigeria and South Africa, and surrounding markets.

In addition, we have implemented a cluster approach in both development and operations to ensure synergies among neighbouring countries to further create value for our hotels. These targeted clusters

are the Maghreb; West Africa with Senegal and Ivory Coast; Central Africa with Cameroon and Republic of Congo; East Africa with Ethiopia, Kenya and Tanzania and finally specific countries within the SADC region such as Angola, Mauritius, Mozambique and Zambia.

We also want to remain relevant to our owners and add value to our investors. Our technical team has produced comprehensive brand guidelines allowing us to further accelerate the speed of construction and considerably reduced the development cost of each brand, making us one of the most competitive companies with relevant resources.

**The success of the group has been its ability to nurture relationships and provide relevant tools and resources to the investment community.**

## What difference do you envision bringing to the group as the new head of development for Africa?

The success of the group has been its ability to nurture relationships and provide relevant tools and resources to the investment community. We will continue to leverage on the legacy already established and continue

to provide our owners and future partners with the right guidance across each phase from development to operations.

Relevance is key and our priority is to ensure not only a clean brand architecture and new hotel development solutions, but also in creating the necessary tools to optimize our

performance, maximize returns and grow the value of their assets over time.

The recent expansion as the new Head of Development for Africa further demonstrates a strong focus and commitment across the continent for Radisson Hotel Group.

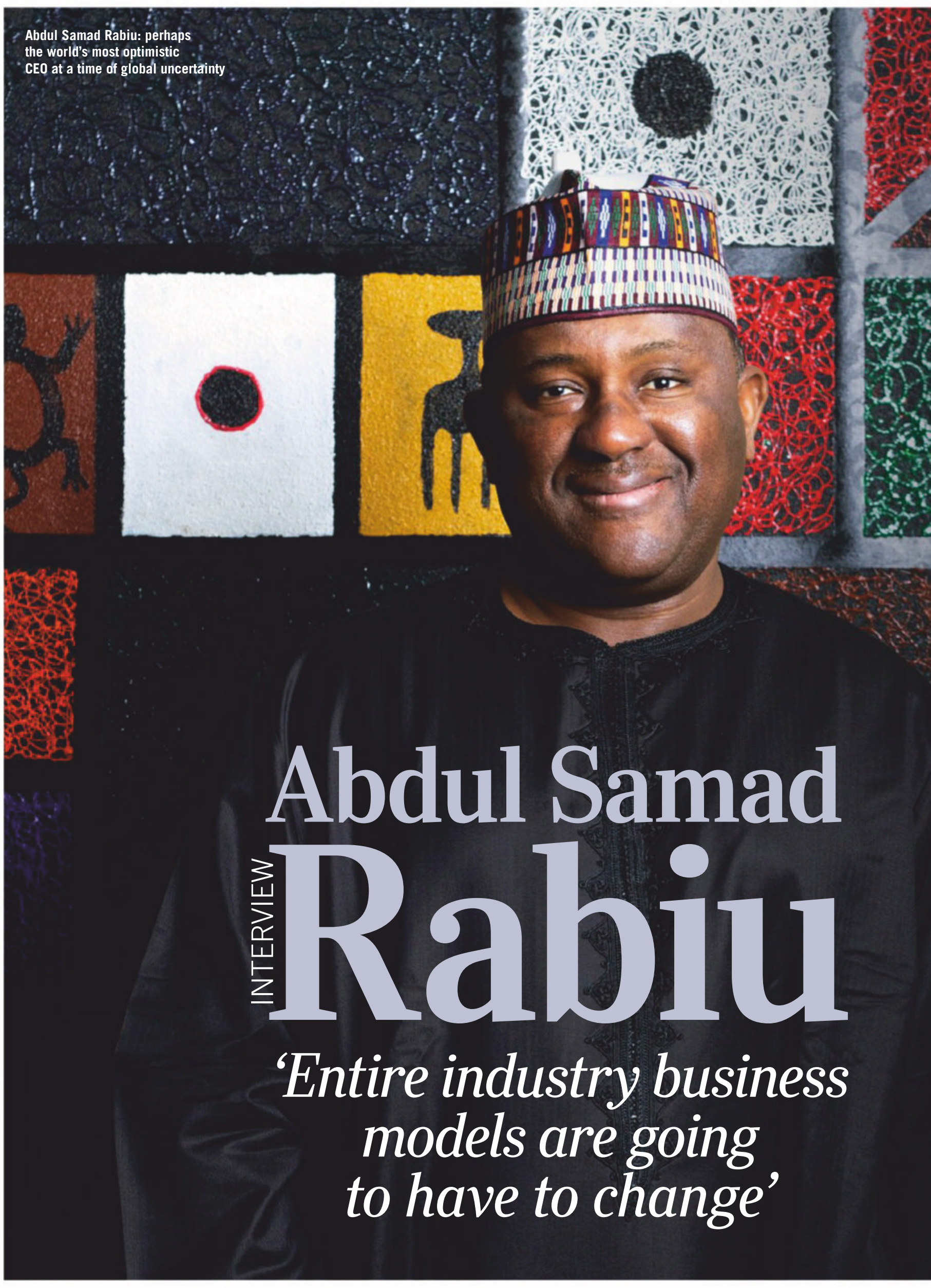


**Ramsay  
RANKOUSSI,**

*Head of Development,  
Africa, Radisson  
Hotel Group*



Abdul Samad Rabiou: perhaps  
the world's most optimistic  
CEO at a time of global uncertainty

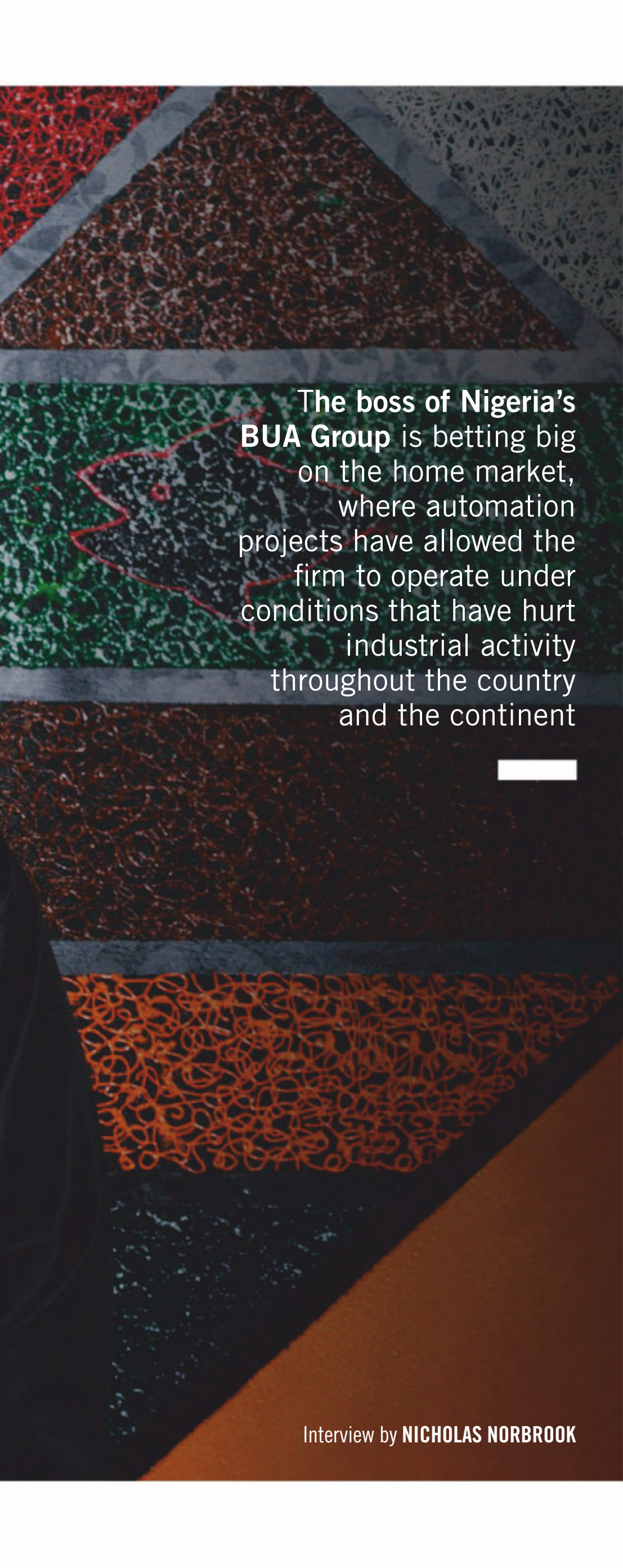
A portrait of Abdul Samad Rabiou, a man with a warm smile, wearing a traditional patterned cap and a dark, textured garment. He is positioned in front of a wall decorated with various colorful, textured panels, some featuring geometric patterns and others with abstract designs. The lighting is soft, highlighting his features.

INTERVIEW

# Abdul Samad Rabiou

*'Entire industry business  
models are going  
to have to change'*





The boss of Nigeria's **BUA Group** is betting big on the home market, where automation projects have allowed the firm to operate under conditions that have hurt industrial activity throughout the country and the continent

Interview by **NICHOLAS NORBROOK**

T

There are no defensive postures here. Undaunted by the potential for pandemic-induced collapse in demand for commodities like sugar and cement, Nigerian billionaire Abdul Samad Rabiou sees only possibility – especially in agriculture, especially in Nigeria. Not only is agribusiness relatively simple in terms of its business model, but it is urgent to save needed foreign exchange and to boost employment, he explains. Rabiou's major focus is on promoting more production and processing to meet national demand and make more profits for his conglomerate BUA Group.

BUA listed its subsidiary BUA Cement in January to raise capital for industrial projects in the glass, steel and oil sectors, citing the rigour and “scrutiny” of the process as a way of “de-risking” Nigerian opportunity for investors domestic and foreign. “The opportunities are here,” enthuses the group chairman and chief executive during our videoconference, a portrait of South Africa's former president Nelson Mandela beaming over his shoulder.

That has not really been the case for the man on the Lagos Danfo, to twist a phrase – the city buses were restricted due to measures against transmission of Covid-19. Most Nigerians are still reeling from the economic impact of the pandemic. Traders have ceased operation, farmers have thrown away produce due to the lack of transport, and businesses have mothballed investment projects.

Most of BUA Group's expansion programme remains undisturbed. Chief executive Rabiou unveiled plans for 3 million tonnes per annum (mtpa) in cement capacity and 50MW of power in



Adamawa State in July. However, he put off the announcement of a glass project that was slated for the postponed June France-Africa summit.

While Covid-19 disrupted most firms, greater automation in BUA Group's agribusiness and cement plants allows them to operate at about 40-50% of their normal capacity. "We are lucky for the fact we are even at 50%. Many others have not been able to work at all," says Rabi. The ban on travel between Nigeria's states was the greater challenge, "and that is lifting now". He argues that "the impact [of the coronavirus] is going to be with us for quite some time" and that "entire industry business models are going to have to change."

### 'Better than 2019'

Learning from operating his family business as a young man, Rabi has built up his empire slowly but surely. BUA Group has moved from a trading company importing commodities to a manufacturing powerhouse in agribusiness and construction materials. From edible oils, through sugar and cement projects, the group also operates a shipping terminal in the oil town of Port Harcourt and owns a real-estate portfolio.

Cement is the industrial star. BUA Cement had a solid first quarter in 2020, banking nearly \$60m in profit. This means, according to Rabi, that it can absorb the slowdown from April to June, and have year-end results that may be "better than 2019".

That is not something many other Nigerian companies are predicting. It is bullish given the record year the company had in 2019; a 47.5% increase in turnover, with profit jumping nearly 70%.

He attributes the leap to the launch of a second line at the Obu plant in March 2019, adding 3mtpa to BUA's output, and the first full year of the Kalambaina plant's second line operations. The cement expansion does not stop; while BUA Cement currently has capacity for 8mtpa, Rabi is targeting 14mtpa over the next few years.

Analysts do not share Rabi's optimism about the sector in the short term. "We expect the deterioration in the macroeconomic conditions - caused by the outbreak of Covid-19, which triggered a sharp decline in oil prices - to constrain activities in the construction industry as fiscal spending on capital projects weakens," wrote Nigeria's CSL Stockbrokers.

**'Food imports should not be happening at all, not in Nigeria, not in Africa'**

#### RABIU'S RECORD

**4 August 1960**  
Born in Kano, Nigeria

**1988** Founded BUA International, a commodity trading firm

**2005** BUA got into the business of milling flour

**2008** BUA launched its first sugar-processing plant

**May 2014** The government appointed Rabi chairman of Nigeria's Bank of Industry

**January 2020** BUA Cement was listed on the Nigerian stock exchange

The scars will remain for some time for the Nigerian economy at large, Rabi says, with the damage hitting the poorest first. "The price of goods has gone up, especially food items," he says, partly as a result of the devaluation of the naira but also because the virus has hurt port logistics, making the clearance of imports difficult.

That could be seen as an opportunity to intensify Nigeria's great push to support food production, something that the government of President Muhammadu Buhari has supported for rice in particular. As part of Nigeria's CACOVID (Coalition Against Covid-19), an organisation of private-sector operators pooling funds to help relief efforts, BUA has put money into feeding programmes in Lagos and other cities, to cushion the blow of the pandemic.

Fundamentally, Rabi is unhappy about the high level of food imports. "It should not be happening at all, not only here in Nigeria, but generally in Africa. We have 60% of the world's arable land. We have the people [to farm]. We have the climate. We have everything it takes."

He is keen for that opportunity to go beyond food crops to cash crops, and again focus on keeping value in Africa. "The US, Germany, Switzerland and Belgium produce 75% of the entire chocolate production worldwide. And if we look at the cocoa industry worldwide, what are we talking about, \$150bn-\$160bn? And Africa gets maybe \$10bn-\$15bn of that?"

### Sugar for resilience

He expects agriculture to provide the resilience that Nigeria needs in the post-Covid-19 era. Next year, for example, will see the ramping up or opening of operations at three major sugar plantations, including BUA's own in Kwara State, as well as projects for Dangote Sugar and Golden Sugar.

BUA is Nigeria's second-largest sugar producer after Dangote Sugar. "With that plantation, we will be able to produce 150,000tn of white sugar with millions of litres of ethanol, employing over 10,000 people in direct jobs," says Rabi.

He was inspired by a visit to Uganda's Kakira sugar estate, run by the Madhvani family: "It was the most impressive sugar plantation I had ever seen." And Mayur Madhvani told Rabi that while he could get yields of 9tn per hectare in Uganda, the soils and potential in Nigeria were far greater.





SUSTAINABLE  
GROWTH FUND



## St Kitts and Nevis Citizenship by Investment

# Secure Your Family's Future with Second Citizenship

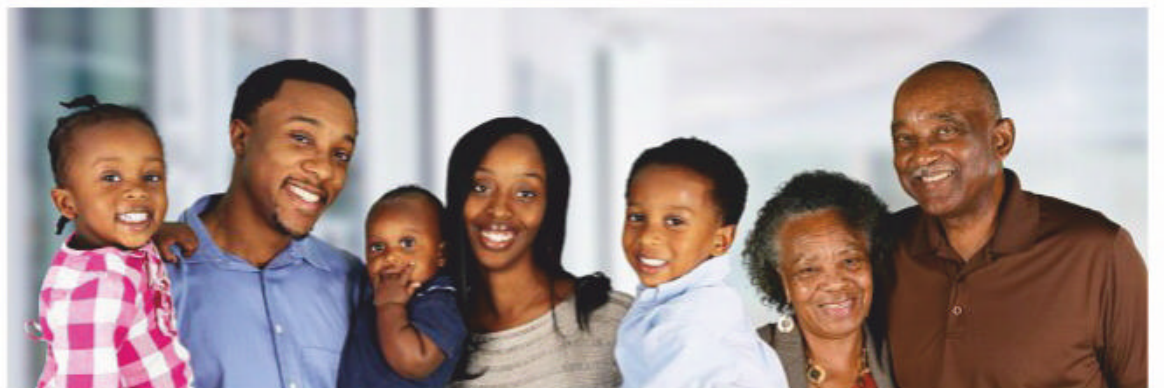
Ushering unforeseen travel restrictions, social distancing measures, and lockdown protocols, the Covid-19 pandemic has had many think harder about their home, and what it means to be able to constantly access proper healthcare, a clean environment, and a high standard of living. Second citizenship, and the rights that come with it, can be integral to creating a home that is safe and secure.

Many countries offer second citizenship options, but only a few have as strong a commitment to the protection and continued wellbeing of their citizens as the Caribbean nation of St Kitts and Nevis.

For over three decades, St Kitts and Nevis has been developing one of the world's best known citizenship by investment (CBI) programmes. CBI in St Kitts and Nevis takes two forms, the most straightforward of which is a one-time contribution to a government fund.

The fund option has seen various iterations throughout the Programme's history. Indeed, while initially focusing on supporting local sugar farmers, St Kitts and Nevis government fund option is now used to achieve sustainability through the aptly-named "Sustainable Growth Fund" (SGF). Among other things, and particularly relevant to today's global health crisis, the SGF is used "for the development and enhancement of [the] medical facilities of St Kitts and Nevis" – as stated in the 2018 Regulations that created the SGF.

The SGF's mandate is, however, wider, including economic growth, climate resilience, education, and the building of infrastructure. It is, in other words, a structure geared towards safeguarding



all of the citizens of St Kitts and Nevis, and all of its socio-economic structures.

To become a citizen under the SGF option, an investor must make a minimum, non-refundable contribution of US\$150,000. When an investor applies with a spouse, the base cost is increased by US\$25,000, while US\$10,000 must be added for other family members. Children up to the age of 30 may be included in an application, so long as there is a showing of dependency on the main applicant. In some cases, parents or grandparents of the main applicant or of his or her spouse may also be included, allowing for broad family unification.

Importantly, all SGF applicants must undergo a strict due diligence review. This stands testament to the nation's commitment to its current citizens – ensuring that future citizens are

neither criminals nor involved in otherwise illicit behaviour. The due diligence review includes an analysis of each applicant's family, business connections, and source of funds, and makes use of third-party expert firms as well as regional and international law enforcement bodies. A due diligence fee of US\$7,500 for the main applicant and US\$4,000 for other family members aged 16 or more is levied for the completion of this due diligence, which takes up to three months.

Applicants choosing the SGF route do not need to sit for an interview, nor do they need to travel to St Kitts and Nevis or reside there. Yet there is little question that they would feel at home in this Caribbean haven where wellbeing, both present and future, is prioritised both as part of the CBI process and as part of everyday life.





The Kalambaina cement plant in Sokoto is one of the powerhouses behind BUA Cement's success

... This enthusiasm is shared by the government in Nigeria, whose industrial policy includes the “backwards integration programme” that tries to claw back some of the \$640m Nigeria spends on importing sugar from Brazil each year by incentivising local production.

This import-substitution move has played out with Buhari closing Nigeria's border with Benin in August 2019 in a bid to protect local rice producers. Rabiū has applauded that policy. And he wants to see this battle to retain value in Nigeria played out in other sectors, too.

### Pipeline plans

Rabiū rattles off the value chain, from iron ore to finished steel, in a heartbeat. Nigeria has untouched iron-ore deposits in Kogi State, and he is waiting for a concession from the government on gas prices before building a 350km pipeline from Delta State to Kogi in order to construct a power station. “You need 250MW of power, and this you cannot get from the government or grid”, says Rabiū. He adds that the government is working on the approvals, having already granted the mining licences. Glass is also in his sights. “Ogun State is sitting on limestone silica. You only need silica and energy to make glass”, says Rabiū, who is in partnership talks with a leading French glassmaker.

The industrialist is also looking to expand in the energy sphere. “We are looking at everything. We have not decided whether it is going to be upstream or downstream.” Or, indeed, midstream.

To realise all these projects will require capital. That is a major reason for the listing of BUA Cement on the Lagos Stock

***‘We are talking to see if we can list on the London Stock Exchange’***

Exchange in January. With a market capitalisation of \$3.3bn, it is now the third-largest company on the bourse.

But, says Rabiū, this was not the only reason for the stock listing. “Corporate governance is very important,” he says, harking back to the efforts made by Asian companies in the 1990s to attract global investors by improving their transparency. While the short-termism of some stock investors may have its downsides, Rabiū argues that their involvement allows you “to build a business that I believe will stand the test of time”.

Up next: inviting independent directors to the board – “from Europe, from Asia, America, wherever. And, although this is still early, we are talking to see if we can list on the London Stock Exchange,” says Rabiū.

One clear difference he points to between himself and other major Nigerian investors is that he believes Nigeria is where it's at. “I know a lot of people say: ‘I'd like to go to other countries in Africa.’ [...] But there is no market here in Africa like Nigeria. This is where the population is, this is where the market is.” He may or may not be commiserating with Nigerian bosses who have had their paws burnt in failed expansions abroad.

Things have not all been easy for BUA, despite the strong first quarter for its cement operations. A fight with the Nigerian Port Authority, which last year closed the terminal BUA Group runs in Port Harcourt, was only amicably settled in June. The company is also sparring with the Dangote Group, in the courts and in the media, about who owns mining sites in Edo State. The battle for Nigerian industrial supremacy will not be without its dust-ups. ●





# Côte d'Ivoire today

## An emerging nation in the making



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**Abidjan, the economic capital and gateway to the continent, symbol of a bold Africa.**

Over the course of almost 10 years under President Alassane Ouattara, Côte d'Ivoire has been transformed, its peace and security restored, and has embarked on a path of accelerated growth. Institutions have been strengthened and the process of institutional life reaffirmed.

In 2016, during President Ouattara's second term, a new constitution that provides more justice and seeks to eliminate identity clauses was introduced. It also makes provision for more protection and promotion of women in all areas.

The newly created position of vice-president is intended to guarantee the continuity of the executive branch. Another significant new development is the introduction of a Senate whose role consists of representing decentralised local authorities as well as Ivorians living outside the country.

The economy has undergone a real change with major investments that have social, cultural and political impacts. The country today is far from the Côte d'Ivoire of 7 December 1993. At the time of President Félix Houphouët-Boigny's death, the country was in a state of considerable instability, weakened by the economic crisis and the concept of "Ivoirité", a set of beliefs about who is a true Ivorian and who is not, which eventually led to a near civil war.





## Côte d'Ivoire today



### Grow

Agribusiness accounts for 75% of manufacturing sector value added, and 370,000 direct jobs.



**Share**  
**Balancing growth**  
**and citizens' well-being,**  
**solidarity and, of course,**  
**environmental protection.**

With an average annual growth rate of between 7% and 10%, Côte d'Ivoire's national wealth has more than doubled over the past decade. Its economy, based on solid sectors such as cocoa, agriculture and agricultural products, the highly competitive ports of Abidjan and San Pedro and energy development, makes Côte d'Ivoire one of the best-performing countries on the continent. Abidjan, its economic capital, has a population of almost 5 million and concentrates almost 60% of the country's wealth. The city has grown and spread over the old districts, some of which have been razed to the ground. Existing bridges have been repaired and new ones built to improve traffic flow.

Côte d'Ivoire's return to the international arena has been remarkable, lending a regional scope to its diplomacy and encouraging South-South partnerships. Open to the world with an active, albeit nascent, civil society and an motivated young population, Côte d'Ivoire is about to enter a new phase.

In 2020, it celebrates 60 years of independence and, in October, will hold a presidential election that will mark its transition to democracy.

However, this election is also a test. Old electoral patterns linger and Côte d'Ivoire has probably not yet overcome all its ethnic conflicts, even though it is more open, modern and diverse.

The emerging middle class brings a certain stability related to its needs. Not only are these new citizens plugged into social media, they are also the voters of the future.

This new generation of voters, who work mainly in the cities and towns, has no desire to be burdened with the past. It seeks peace, more social justice, good governance, and a better coexistence.

It also wants to break with old habits and for its leaders to be chosen for their competence and not because of their connections or collusions. It is a generation with high expectations for better healthcare and education, decent jobs and accessible housing. It also wants security.



@JACQUES TORREGANO/DIVERGENCE





## Côte d'Ivoire today



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### **Educate**

Compulsory and free education from 6 to 16 years old for a connected young generation tomorrow.



© JACQUES TORREGANO/JA

### **Industrialise**

Cocoa, a production of 2 million tons per year, with 500,000 tons processed locally.



© MINERVA STUDIO/STOCK.ADOBE.COM

### **Combat**

Tackling Covid-19, the invisible enemy.



## Cooperate And educate young people for tomorrow's world

The country shares a long border with Mali and Burkina Faso. It was attacked in 2016 and remains a target for jihadist organisations and this has become an important issue. Côte d'Ivoire is in dialogue with the G5 on the strategy and role of ECOWAS in this fight against terrorism. It also has to pay attention to crime – which is increasing alongside economic growth – and take action to counter the piracy growing in the highly coveted Gulf of Guinea, as well as control its borders.

Security includes health. However, despite Côte d'Ivoire believing it may have been spared, an unwelcome guest arrived: Covid-19. This rampant virus has turned the world upside down.

In December 2019, in Wuhan, a Chinese metropolis of 11 million people, there was an outbreak of coronavirus. The Chinese officially reported it on 7 January 2020. On 30 January the World Health Organization (WHO) declared a global public health emergency. On 11 February, the WHO named the disease caused by this virus Covid-19 and, on 11 March, upgraded the status of the Covid-19 outbreak from epidemic to pandemic.

As of 11 March, the Ivorian government took immediate action to break the chain of contamination, putting in place the necessary measures and raising awareness of the protective



© PRESIDENCY OF THE REPUBLIC OF CÔTE D'IVOIRE

measures used throughout the world: regular hand washing, coughing into one's elbow, social distancing, restricted movement, no gatherings, closure of public places (maquis, restaurants, etc.), lockdown, selective testing and curfews.

An important decision was the isolation of greater Abidjan, where 13 testing centres were set up, with another 45 in the centre. Wearing a mask is mandatory. Masks are available free of charge, giving priority to healthcare, defence and security services.

These measures were combined with targeted communication, especially to vulnerable populations and in rural areas, to raise awareness and explain the rationale for these measures.





# Côte d'Ivoire today



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**Develop**  
Performance  
and modernity



© PRÉSIDENTE DE LA RÉPUBLIQUE DE CÔTE D'IVOIRE



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**Advance**  
Topping the Doing  
Business and Trade20  
Index rankings



**Assemblée  
President Alassane  
Ouattara urges  
the handover to the new  
generation so that it,  
in turn, can pursue change  
and lead Côte d'Ivoire  
into modernity.**

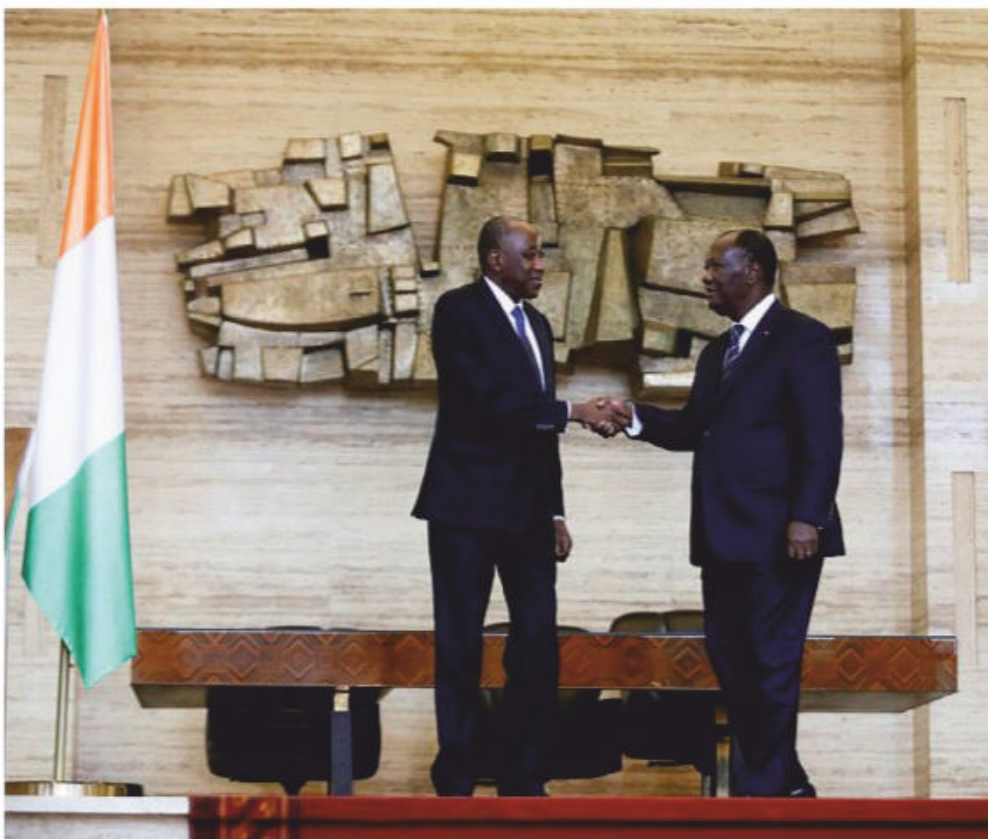
A solidarity fund was set up to provide food distribution. The financial commitments are significant and onerous. Additional aid and loans were granted, particularly by the World Bank and the AFD.

In May, the government of Côte d'Ivoire reported 2,231 confirmed cases, including 1,083 cured and 29 deaths.

As of 14 May, following the Security Council meeting, it began the gradual lifting of the lockdown, while recommending that the population make the protective measures and the wearing of masks part of their daily lives to protect themselves and others.

Now, Côte d'Ivoire is celebrating 60 years of independence and embarking on a major phase in the political modernisation and democracy-building process: the October 2020 presidential election.

The Head of State, Alassane Ouattara, who for 20 years has been working to transform the country and who announced that he was not standing for re-election, sees this as confirmation of everything he has done since coming to power to put the country back on its feet, train a generation of politicians, and found a party that unites rather than divides – the RHDP (Rassemblement des Houphouëtistes pour la Démocratie et la Paix – Rally of Houphouëtists for Democracy and Peace).



© THIERRY GOUÉGNON/REUTERS

Sadly, Prime Minister Amadou Gon Coulibaly, a founding member of the Rassemblement Des Républicains (RDR), a hard-working man who had been at his side since the 1980s and had served the State with skill and dedication, died of a heart attack on 8 July 2020 during the Council of Ministers, leaving the country in deep disarray.

He exemplified the continuity and pursuit of the reforms he had undertaken alongside President Alassane Ouattara, who paid tribute to the legacy and dedication of a great servant of Côte d'Ivoire.





# Côte d'Ivoire at a glance

|            |                                                          |
|------------|----------------------------------------------------------|
| Population | 25.8 million                                             |
| Density    | 80 people/km <sup>2</sup>                                |
| Main towns | Abidjan, Bouaké, Daloa, Yamoussoukro, Korhogo, San Pédro |

## ADMINISTRATIVE DETAILS

|                         |                                                         |
|-------------------------|---------------------------------------------------------|
| Political capital       | Yamoussoukro                                            |
| Economic capital        | Abidjan                                                 |
| Official language       | French                                                  |
| Main national languages | Baoulé, Dyula, Bete, Senufo, Dan, Anyin, Attie, Gere... |



President Félix Tshisekedi inaugurates  
a newly tarmacked road in Kinshasa –  
a brief respite from his political tensions

# DRC FOCUS

## Growing pains

PRÉSIDENCE DE RDC

With the Covid-19 pandemic hurting the economy, continued instability in the east and a political tug-of-war at the heart of government, the young administration of Félix Tshisekedi is trying to impose its will, seeking allies at home and abroad



By **PATRICK SMITH**

As the face of Fatshi Béton beamed out of television screens in tens of thousands of bars and cafés across Africa’s biggest country, it was not the 60th birthday he would have wished for. Instead of the grand commemoration with international celebrities and Congo’s superb musicians playing the soundtrack, it was a pandemic-era affair.

Fatshi Béton, as President Félix Tshisekedi is known by his supporters, scaled down his plans to showcase the “New Congo”. A decade ago, his predecessor Joseph Kabila, who casts a long shadow over national politics, hosted a glittering festival of independence on the banks of the River Congo.

This year, to mark the country’s 60 years of freedom from Belgian colonial rule on 30 June, Tshisekedi hosted a modest gathering of ministers and political acolytes to broadcast a sombre message to the nation. “From independence to the present day, the main effect of our political policy has been to dilute efficiency, to dilute responsibility and, ultimately, to do disservice,” said the President.

**Tensions in government**

Tshisekedi was speaking after weeks of escalating tensions with loyalists to former president Kabila, against whom Tshisekedi and his party faithful have been trying to assert themselves in the government, the national assembly and the sprawling state administration. The more excitable commentators and activists confidently predict that the clashes will come to a head and bring the shaky coalition between Kabila’s still-dominant *Front Commun pour le Congo* (FCC) alliance and Tshisekedi’s *Cach* grouping to come crashing down.

Such was the political temperature in the country on independence day that a “statement

of regret” from Belgium’s King Philippe barely registered – except to irritate activists with its weasel words. Philippe had written to Tshisekedi using legalistic phraseology designed to fend off the growing calls for reparations for Belgium’s hyper-exploitation of Congo under King Leopold II’s ‘Free State’ from 1895 to 1908.

It seems it was the power of the Black Lives Matter campaign, some of whose adherents in Belgium want the removal of Leopold’s statues, that prompted Philippe’s minimalist statement to Tshisekedi: ‘I want to express my deepest regret for these wounds of the past whose pain is reawakened today by the discrimination still present in our societies.’ Tshisekedi’s diplomatic adviser, Dominique Migisha, accepted the monarch’s message with good grace, tweeting that ‘times have well and truly changed’.

Tshisekedi spent much of his early life in Europe while his father, radical oppositionist Etienne Tshisekedi, was being harassed and tortured by Mobutu Sese Seko’s regime. Whatever Tshisekedi may think of Belgium’s colonial record today, he is searching for allies to shore up his position in his ongoing power struggle with Kabila.

In efforts to access lines of finance free from the constraints of Kabila loyalists in parliament and the cabinet, Tshisekedi and his ambassadors have courted

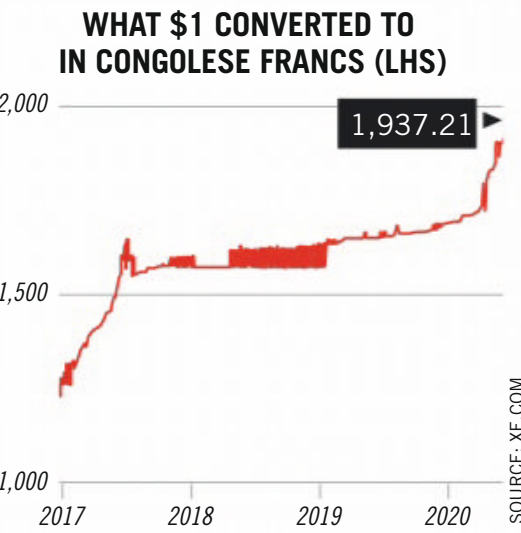
President Félix Tshisekedi with US Secretary of State Mike Pompeo on his second visit to Washington DC, on 3 March, 2020. Washington has endorsed Tshisekedi, with conditions



international agencies and regional groupings such as the European Union. Strengthening his diplomatic credibility took the president much of last year but opened him up to claims of absenteeism.

To survive in power, Tshisekedi is trying to outmanoeuvre rather than confront the Kabilists. That means spending less time in political fights and more time establishing a policy programme of his own, as well as a patronage system that can reward supporters of his *Union pour la Démocratie et le Progrès Social* (UDPS).

Sometimes the fights are unavoidable, such as the set-piece battle about tightening control over the nominally independent judges under justice minister Célestin Tunda Ya Kasende, a close Kabila ally. Under new measures,







MANDEL NGANA/AFP

the minister would get a veto on attempts to launch prosecutions for human rights abuses and grand corruption – there are many cases in both categories waiting in the wings. Tunda was arrested in late June, escalating the dispute. He stepped down in mid-July.

### Protests over electoral head

Another, still fiercer clash was over the *Commission Electorale Nationale Indépendante* (CENI) to which Kabila's allies in parliament appointed his ally Ronsard Malonda as chairman on 2 July. Mass demonstrations over this are due to continue, with opposition parties implacably opposed to Malonda, whom they accuse of complicity in fraud in every election since 2006.

So heated had the clashes over these issues become that the two sides organised a tête-a-tête

## The three-way split suits Kabila because it divides his natural opponents

between Kabila and Tshisekedi on 2 July. That quietened the national mood, allowing for delays on both issues. It also showed that both sides can blink when the country teeters towards the edge.

Even before the pandemic, Tshisekedi had minimal control over the country's main sources of revenue, as the main state enterprises that manage the mines and the agriculture sector have remained in the hands of the Kabilists. Following the tortuous negotiations between Tshisekedi and Kabila after the problematic

December 2018 national elections, an awkward coalition emerged in August 2019 that continually seems on the brink of dissolution. Usually the clashes are over mining revenue and the security forces. Tshisekedi is far from controlling either.

### Fayulu and Katumbi

Tshisekedi also has to triangulate between the Kabilists and the erstwhile opposition allies with whom he broke in the run-up to the presidential election. In a loose alliance known as *Lamuka* – which includes Martin Fayulu, widely seen as the legitimate winner of the election, and former Katanga governor Moïse Katumbi, who is planning a new party – will neither work with Tshisekedi nor accord him any credit for opening up the political climate.

This three-way split suits Kabila because it divides his natural opponents. That is amplified by the parliamentary arithmetic, based again on disputed results in the 2018 elections. Tshisekedi's UDPS won about 10% of the 500 seats in the national assembly, according to the CENI. Kabila's FCC controls 340 seats. That leaves another 100 seats in the hands of the broad opposition, which might agree with Tshisekedi on some issues but cannot form a bloc to outvote the Kabilists.

Néhémie Mwilanya Wilondja, the FCC's coordinator, is sceptical about the government's ability to push through policies that matter to the Congolese people, telling *Jeune Afrique*: "There is a lot more to be done. Politicians have to get serious. They can still confront challenges that are present, to focus on the Congolese, whose purchasing power has dropped and who are facing serious socio-economic difficulties, instead of working on their small political calculations."

Political scientist Jean-Claude Mputu explained the ...

*Continued on p52*





# DEMOCRATIC REPUBLIC OF CONGO

## FREE PRIMARY EDUCATION IS NOW A REALITY

Free basic education is a considerable challenge of President Félix-Antoine Tshisekedi Tshilombo's five-year term; he considers it "a priority of priorities", guaranteed by article 43 of the Constitution, which enshrines its free and compulsory provision in the Democratic Republic of the Congo.



As one of his December 2018 campaign promises, included in his presidential programme under pillar 8 of the section devoted to People, Félix-Antoine Tshisekedi Tshilombo intends to lay the foundations of this new Congo, where educating young people is the guarantee of a true democracy, one that provides access to information, understanding

of citizen's rights and duties, freedom of thought, peace and the transformation of the enormous potential of the Congolese people for a better future in the heart of Africa and in the concert of nations for the next 60 years.

Expressed in his "People First" vision, the fifth Congolese Head of State's tenacity in wanting to provide Congolese children with the best is justified because he understands the benefits of education as a powerful agent of change and for improving citizens' health and quality of life. Free basic education, signifies a desire to lighten the burden on parents because it enables children from underprivileged backgrounds to attend school, improving teachers' salary packages and improving school infrastructure, is clearly noticeable in the DRC.



### Remarkable progress

A year on and despite the economic context, free education is well and truly implemented throughout the entire country. The first achievements have gone well beyond the expectations. By the start of the new school year in September 2019, the number of enrolments in official and/or state schools had doubled or even tripled. Around 4 million school-age children were able to resume their schooling, having dropped out due to lack of funds. Teachers' salaries have improved significantly. The first tier of salaries for standing and sitting teachers (school administrators) has been paid. Teachers in Catholic schools (71.4%) were paid and 11,465 Catholic schools (70.7%) were entered into the state database and budgeted for.

The running costs of primary schools as well as kindergarten, primary and secondary schools have been increased while other school fees deemed unnecessary have been abolished. Several school infrastructures, both in Kinshasa and in the hinterland, have been built along the lines of the Mokengeli Institute and the Camp Tshatshi school.

“  
**The education  
of young  
people is the  
guarantee  
of a true  
democracy**

*His Excellency Félix-Antoine  
Tshisekedi Tshilombo,  
President of the Democratic  
Republic of Congo*



# Education is a powerful agent of change



## From political will to funding

As for financing, the government's efforts to raise revenue to bring this noble vision to fruition, the cost of which is estimated at \$2.64 billion for the 2020 fiscal year, have been supported by international partners. President Félix-Antoine Tshisekedi Tshilombo's ambitious project found the enthusiasm of the World Bank, which agreed to allocate US \$800 million to finance the "Equity and Strengthening of the Education System" Project (PERSE), essentially aimed at improving access to primary education in the provinces and strengthening basic education systems.

The World Bank is not the only financing partner. France has made 106 million euros of French Government funds available within the framework of the Development and Debt Reduction Contract (C2D) signed between the DRC and France in November 2019 and targeting, among other things, education and vocational training. Free basic education goes hand in hand with quality education. The funds allocated to the education sector for the 2020 fiscal year (\$1.647 billion, i. e. 17.84% of total general budget expenditure) are supplemented by France, which has promised to support free education in the DRC with funding of 15 million euros, with emphasis on teacher training.

The government still needs to consolidate its efforts to mobilise more public revenues in order to respond positively to the teachers' expectations, which are essentially focused on the additional pay for September 2019, the payment of unpaid and new secondary school teachers, and the transport and housing allowance to be rolled out in all cities across the country for the next school year.



Given the success of free basic education, DRC's Head of State Félix-Antoine Tshisekedi Tshilombo is winning his gamble of uplifting Congolese people, who have long been on the sidelines, in order to make the DRC "an exporter of peace, and to change the lens and narrative about it", as he put it during the high-level Addis Ababa Framework Agreement meeting in New York in September 2019. Félix-Antoine Tshisekedi Tshilombo is certainly on track to meeting this challenge.

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The DRC has only one laboratory for processing Covid-19 tests, causing long delays for results

Continued from p49

●●● Tshisekedi-Kabila dynamic on German radio: “After the election, people had great hopes for improvement, and equally great disappointments.” Whatever Tshisekedi’s intentions, the logjam in parliament has blocked him from pushing through a single important reform due to “his original sin of having entered into this unholy alliance with Joseph Kabila.”

Parliament’s blocking of Tshisekedi’s attempts to appoint new boards to state-owned enterprises triggered a new desperation as his officials tried to push through reforms in the mining industry and get a better handle on revenue. In January, the impasse in the assembly had become so frustrating for Tshisekedi that during his trip to an investment summit in London he told a private meeting that he would be forced to use his constitutional prerogative to dissolve parliament and order fresh elections.

That riled the Kabilists. National Assembly president Jeanine Mabunda and Senate president Alexis Thambwe Mwamba snapped back that any such move would require Tshisekedi to consult with them first.

That option seems to have receded for now. Firstly, because there is not enough money to hold fresh elections. And secondly, because Tshisekedi and his party might fare no better with the CENI under the control of the Kabilists.

### Opaque agreement

Kabila and his business partners have their own worries about the direction of travel. In February, he complained to British diplomats that Tshisekedi was no longer meeting directly with him but preferred to send an envoy, such as his spokesman Jean-Marc Kabund. Kabila insists that Tshisekedi has to respect the terms of their post-election agreement, which have never been made public. It is likely



ALEXIS HUGUET/AFP

that any moves by Tshisekedi to commission an independent audit of the state mining entities would be regarded as such a breach.

Tshisekedi is stretched between the political realities in Kinshasa and external pressures to rein in illicit financial flows. The International Monetary Fund, which has agreed to a \$368m credit line, wants a thoroughgoing reform of revenue management that will cut across many of the state commercial structures that Tshisekedi’s team inherited. And, in July, the World Bank announced a \$1bn credit to part-fund the government’s free public education programme and improved primary healthcare.

Tshisekedi won a conditional endorsement from the US on his visit to Washington in April 2019. When Secretary of State Mike Pompeo met him, the message was that the US would do more financially and diplomatically if the new government were able to undercut Kabila’s power over the mines and

the military. Since then, Washington has stepped up sanctions on some of Kabila’s inner circle.

But the government’s stabs at anti-corruption have been erratic, at best. The most high-profile defendant has been Vital Kamerhe, Tshisekedi’s former chief of staff, who was sentenced to 20 years in jail on 20 June for corrupt diversion of sums from the government’s investment programme. Kamerhe’s supporters say it suits both Tshisekedi and Kabila to get him out of the way in case he ran for the presidency in 2023.

Against expectation, Tshisekedi has made some progress in bringing in his own security officers, such as Major General Christian Tshiwewe Songesha as commander of the *Garde Républicaine*. But that has not been reflected in a wider influence over security affairs, nor any serious efforts to control the militias fighting over gold and other minerals in eastern provinces such as Ituri and Kivu-Nord.

The clear message to people there, and elsewhere in the DRC, is that Kabila retains control of much of the money and many of the guns in the country. Even if Tshisekedi has been able to chip away at that power, he is far from having achieved a political transition. ●

**Tshisekedi is under external pressure to rein in illicit financial flows**





# RENOWNED SPECIALIST IN HUMAN RESOURCES MANAGEMENT

for the mining, agriculture, cement, oil and gas, logistics and other sectors...

**MD SERVICES** (Sarl), is a 100% Congolese company, registered under the laws of the Democratic Republic of Congo and operating in the field of Local and Expatriate Personnel Outsourcing and all associated labour broking services.



► Mr Didi Mudogo, Managing Director of MD Services represents the DRC at “Prospectors and Developers Association of Canada (PDAC 2020)” in Toronto on 4 March, 2020

**MD SERVICES** specialises in:

- Recruitment, placement and management of outsourced local and expatriate staff;
- Obtaining work permits, visas and other required documents for expatriates wishing to work in the DRC;
- Procurement of Personal Protective Equipment (PPE);
- All other services related to personnel management.



► The DRC was the focus during the last PDAC 2020 edition, here Dr Mark BRISTOW, the CEO of BARRICK GOLD

**MD Services** has established itself as a major player among many companies operating in the Democratic Republic of Congo especially in the mining, cement and hydrocarbon sectors (upstream and downstream). The company has developed a real relationship and lasting trust with all its clients.

By way of illustration, **MD Services** successfully supports major mining projects in the DRC, carried out by large world-renowned firms such as the Kibali Gold Mine project, a

subsidiary of the multinational Barrick Gold, the Tenke Fungurume Mining project (TFM), and the Ivanhoe Mines project (Kamoa Project), amongst others.

**MD Services** also assists big companies like Boart Longyear, Orezone Drilling and many others in their drilling work at all stages of mining projects as well as in other services related to mining activities.

For this year, **MD Services** has set the following main objectives:

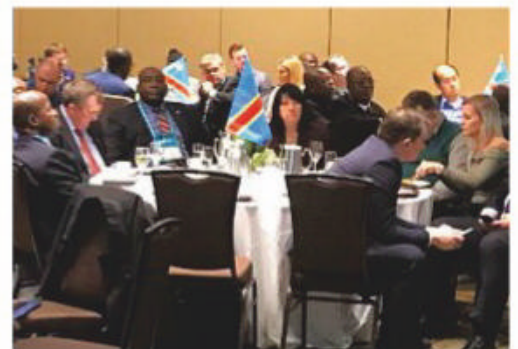
- Attract and support the maximum possible number of investors in the DRC in general and, in particular, those working in the mining sector, which is why it attends numerous international conferences;
- and to extend its activities to other countries of the continent such as Uganda, South Africa, Mauritius and Madagascar in order to open up to the world.



► The dynamism and collective intelligence of its young team is one of the greatest assets of MD SERVICES Sarl

It is in this capacity that **MD Services**, on the fringe of the “**Prospectors and Developers Association of Canada (PDAC 2020)**” international mining conference, which brings together all major mining operators and sector decision-makers, hosted a meeting with several economic operators from around the world at the Intercontinental Hotel in Toronto on 4 March, 2020, to present them with various business opportunities in the DRC, and reassure them of better human resources management support.

For the first time in this context, at the initiative of Congolese businessman Mr Didi Mudogo, Managing Director of **MD Services** (Sarl), the DRC flag was flying very high.



► A highly interested international audience discovers business opportunities in the DRC

**MD Services** hosted a business lunch to present the opportunities offered by the DRC, a country with a strong mining vocation. Several DRC officials and experts spoke on this subject including the CEO of Barrick, Dr. Mark Bristow, who emphasised the importance for multinationals to work with local entrepreneurs not only for their development, but also because no project can be established and prosper effectively in host countries without the involvement of local entrepreneurs.

**MD Services** vision is to encourage major investors from all over the world to come and invest their capital in DRC in order to create more business opportunities for local entrepreneurs, create jobs for the Congolese people and contribute to the emergence of the DRC.



INTERVIEW

# Célestin Mukeba Muntuabu

## *‘They become clients for life’*

The **CEO of Equity Bank DRC** shares his experience in helping small companies, while stressing the major work ahead in getting the country’s population banked

Interview by **NICHOLAS NORBROOK**

You can take the man out of the microfinance institution, but you can’t take the microfinancier out of the man. Celestin Mukeba Muntuabu ran the microfinance bank ProCredit Bank in the Democratic Republic of Congo (DRC) before taking up the position of CEO of Equity Bank DRC. The subsidiary of Kenya’s Equity Bank bought a majority stake in ProCredit in 2015 for \$60m.

While some yearn for the glittering spires of Wall Street, Mukeba likes things a bit closer to earth. He lights up when talking about how ProCredit helped firms that floated just under the criteria of the formal economy. “They don’t have solid guarantees, they are risky to bank,” he says. But they pay off handsomely when they succeed, both financially and also in terms of impact.

“We had experts who go to evaluate these small businesses, look at their profitability and then accompany them into the formal economy,” Mukeba explains about his time at ProCredit. “There are clients to whom we say: ‘Buy a notepad. Every time you make a purchase for the business, write it down. Every time you make a sale, write it down.’”

He has seen many clients turn their operations into large companies after such scrappy beginnings. “Seven years after lending to a company that we would call ‘micro’, with a turnover of \$10,000 a year, it now has revenue of \$4m.” Another successful convert to the formal economy, after years of financing rounds and advice, has grown so large that it has recruited an external auditor.

Small wonder then that ProCredit became a target for the East African juggernaut Equity Bank. Built into a ‘bottom of the pyramid’ player by current chair James Mwangi, Equity Bank has a similar credo about helping small businesses, supporting them as they integrate into the formal economy and building up the kind of transparency that allows them to work with banks more readily. “They see the value, and they become clients for life,” says Mukeba.

### Digital head start

Working with small firms can be extremely time-consuming and expensive, however, requiring a large number commitment for a relatively small payoff. That has changed with the arrival of Equity Bank, and the artificial intelligence deployed in its banking platform. “Given the digital head

start of [Equity Bank], we are able to do credit scoring and risk appraisal for a far greater number of clients,” says Mukeba. More than 90% of credit approvals now take place through its digital platforms.

Equity Bank’s ambition, says Mukeba, is to be among the biggest players in the markets where it operates. Managers see the DRC as a leading economy in the region, given its size and population. So Equity Bank has prioritised acquisitions in the DRC over other mooted expansions. In June, Equity Bank cancelled its talks to purchase Atlas Mara’s banking operations in Mozambique, Rwanda, Tanzania and Zambia. This was due, in part, to ongoing concerns about

### FROM MICRO TO MAJOR

**20 September 1977** Born in Kinshasa

**2006** Worked at PwC as an auditor

**2008** Named deputy director of ProCredit Bank Congo

**2014** Promoted to become the bank’s director

**2015** Appointed CEO of Equity Bank DRC after the Kenyan bank purchased ProCredit Bank



the economic impact the Covid-19 crisis might have.

Also in June, the Nairobi-headquartered lender suspended its dividend payment to shareholders. However, it went into this year with a very good performance. Equity Group recorded a 14% rise in profit after tax to KSh22.6bn (\$212m) in 2019, thanks, in part, to the 23% growth

in its loan book from across the countries in which it operates.

That suggests that Equity Bank will not dial back on its investments in the DRC. “Given the large land mass of the country, there was a real need to boost Equity Bank’s coverage. That is where the *Banque Commercial du Congo* [BCDC] acquisition has real potential, given its branch network and also a strong corporate banking network”.

In December 2019, Equity Bank came to an agreement with the Belgian tycoon George Forrest to purchase the remaining 66% of BCDC that it does not already own for \$105m.

The client base of blue-chip clients in BCDC’s portfolio may open new opportunities for Equity Bank, such as weaving together the operations of small businesses with those of larger ones.

#### **Agency banking**

The bank will need a deeper pool of savings if it wants to do more corporate lending. Only around 5-6% of the 85 million people in the DRC have a bank account today.

To expand access to financial services and boost its savings cushion, Equity Bank has brought its ‘agency banking’ model, which has been so successful in Kenya, to the

DRC: shopkeepers and traders can become resellers for the bank’s savings, credit and micro-insurance products.

The DRC needs to start creating value at home rather than just exporting natural resources, argues Mukeba, to be able to get a stable currency and allow businesses to plan more effectively. “Our model has to change – it’s imper-

### ***‘THE ECONOMIC MODEL HAS TO CHANGE, IT’S IMPERATIVE, AND EVEN MORE SO WITH COVID-19’***

ative,” he says, “and has become even more so given the Covid-19 pandemic, which has shown the limits of our economies [being] so dependent on food imports.”

The Congolese franc is depreciating quickly as the country continues to import, and exports are greatly reduced. Helping farmers to grow is key to turning things around, he says, for the long term, and the potential for agriculture in the DRC – with some 80m hectares to farm – is clear. “We used to be a net exporter of corn and other crops,” he points out.

The drive to pull more Congolese into the banking sector is about to receive a boost from the government of President Félix Tshisekedi. He is laying the groundwork for a new national biometric identity card. “If someone does not have a formal identity registered by the state, they are already de facto excluded from the banking system,” says Mukeba. “We apply the highest standard in anti-money laundering and ‘know your customer’ regulations, so this will greatly help our ambition of banking the Congolese.” •



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# DEMOCRATIC REPUBLIC OF CONGO

## Bringing value to private investment in the agricultural sector in D.R. Congo

### “Challenges and Prospects”

The Democratic Republic of Congo, an agricultural haven with its 80 million hectares of arable land offering a wide range of opportunities has seen shortcomings exacerbated by the pandemic, particularly on the socio-economic level and more specifically in terms of food supplies from the provinces to the capital.

Therefore, to alleviate with the consequences of this health crisis and with the aim of building a more resilient and diversified economy, the Democratic Republic of Congo has set up the Covid-19 Multisectoral Emergency Mitigation Programme (PMUAIC-19), with a budget estimated at over \$2.6 billion, with the goal, among other priorities, to promote local entrepreneurship in various sectors and industries.

### “It’s time for the soil to take its revenge on the subsoil!”

*His Excellency Mr. Felix Antoine Tshisekedi Tshilombo, President  
of the Democratic Republic of the Congo*

This Programme’s goal is to provide support for macroeconomic stability and economic recovery through the implementation of measures and assistance to essential economic activities likely to mitigate the shock of the pandemic, improve the management of productive sectors, and ensure a strengthened resilience through economic diversification.

With the same aim of building resilience and diversifying the national economy, the Ministry of Agriculture has responded to the Government’s aspirations through the launch of a Voluntary Agricultural Programme which calls for the involvement



of a number of public and private sector and civil society organisations with an estimated total cost of US\$46.8 million that covers operating and capital expenditures throughout the value chain cycle. Linked to the PMUAIC-19, the National Investment Promotion Agency (ANAPI), the technical agency advising the Central and Provincial Governments on Investment Promotion and Improvement of the Business Climate, has in turn included Agriculture among its priorities included in its Emergency Plan for the year 2020, alongside Infrastructure and Energy.

**For ANAPI, revamping productive investments in the agricultural sector is indeed one of the key strategies and optimal solutions** to be encouraged in order to rethink the Congolese economy, create added value, considerably reduce unemployment and improve the trade balance position by substantially reducing food imports.

ANAPI’s conviction is ultimately supported by the DRC’s great potential with its 80 million ha of arable land, 4 million ha of irrigable land, favorable climatic conditions and exceptional rainfall as well as several other comparative advantages that can be harnessed to develop a real agro-industrial chain on a national, continental and even global level. This is President Félix Antoine Tshisekedi Tshilombo’s vision which he perfectly summed up when he said, “It’s time for the soil to take its revenge on the subsoil!”.

Faced with the structural gaps between supply and demand of agricultural products, and taking into account the upheavals caused by Covid-19, the successful revival of the agricultural sector is critical to address the imbalance in the supply





Gwenn Dubourthoumieu for JAMG



D.R.

# ANAPI is calling on national and international investors to boost the Congolese agricultural sector

of domestic consumer products such as maize, cassava, rice, beans and the disruption of exports of products derived from perennial crops such as coffee, cocoa and tea.

It is worth noting that some major agricultural projects have already been undertaken to increase and strengthen food self-sufficiency. During his speech on the occasion of the country's 60th anniversary of independence, His Excellency Mr. Felix Antoine Tshisekedi Tshilombo, President of the Democratic Republic of the Congo indicated, "Thirty-three thousand hectares across the country have been allocated to food crops and are starting to produce their first results, for example 3,000 tons of rice in Kimpese and 4,000 tons of paddy rice in Nkundi. We will soon be harvesting and processing the cassava planted on 800 hectares in Wangata."

Processing this output into finished products, in the value chain to create national wealth, requires ipso facto, investment in the energy sector with the installation of pico, micro, and small hydroelectric plants and even other alternative sources by developing renewable energy (biomass, solar, etc.) for which the country has considerable resources. It is important to point out that DRC's hydroelectric potential is estimated at more than 100,000 MW, of which only 2,520 MW, or 2.5%, has so far been harnessed.



MDMM for JAMG

The electricity sub-sector being totally liberalised, and with the promulgation of Law n° 18/016 of 9 July 2018 relating to Public-Private Partnership, ANAPI is calling on both public and private investors from all shores to come and invest in the energy sector in the Democratic Republic of Congo.

ANAPI, which is also encouraging national and international investors to boost the Congolese agricultural sector, is opting for a specific focus on a few sectors, including those for mass consumption and some perennial crops that can be exported, thus generating foreign exchange reserves for the national economy.

It is important to bear in mind that there are several incentives to investing in the agricultural sector today, including customs, tax and parafiscal tax exemptions granted by the Investment Code (Law No. 004/2002 of 21 February 2002) of the Agricultural Law, and the Decree on Strategic Partnership on the Value Chain). Over and above these exemptions and incentives, the Democratic Republic of Congo guarantees the continuous improvement of the business climate, which is admittedly not yet at its best, however efforts to combat corruption and establish good governance through the rule of law are gradually taking shape. That in mind President Tshisekedi, created an Anti-Corruption Agency (APLC – Agence de prévention et de lutte contre la corruption) by the Decree dated 28 March 2020 with the main mission to prevent and the corruption that is plaguing the country, ahead of any action by judicial institutions.

In summary, ANAPI reassures investors of its determination and commitment to assist and support them with regard to the implementation of their projects in DR Congo. ■



## NATIONAL INVESTMENT PROMOTION AGENCY

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# People to watch

The Africa Report takes a look at some important government figures on both sides of the Tshisekedi/Kabila power struggle



**Gilbert Kankonde**  
Loyal minister

Kankonde, who is deputy prime minister and minister of the interior, is a crucial player in President Félix Tshisekedi's plans to hold elections in 2023 that will allow him to slough off his uncomfortable alliance with former president Joseph Kabila. The interior ministry has an influential role in organising elections, like the local ones that were due to be held in 2019 to bolster decentralisation. Tshisekedi does not want to hold them until they can complete a raft of electoral reforms. He trusts Kankonde for the job, as the Kasai native was the long-serving assistant to his father, the late veteran oppositionist Etienne Tshisekedi.

## Élysée Munembwe Tamukumwe

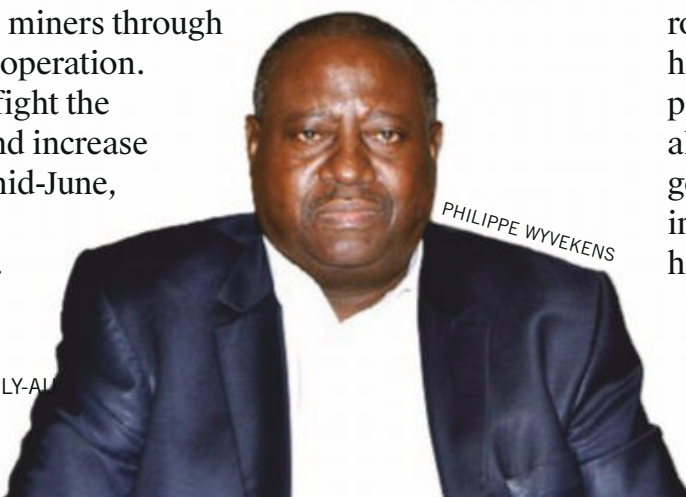
A woman with a plan

With the DRC's economy hurt by the Covid-19 lockdown and drop in demand for its mineral exports, the deputy prime minister and planning minister rolled out a series of 80 reforms in June to improve the business climate. The former primary and secondary education minister is a member of Kabila's FCC and a key member of the government's Covid-19 response team. Her strategic planning will help to determine if the DRC can seize the current crisis in order to start making structural reforms to its economy.

## Richard Muyej

Power to the centre

The governor of Lualaba Province, home to much of the DRC's copper and cobalt resources, is making changes to the mining sector in response to the pandemic. In June, the former interior minister under Kabila rolled out new regulations to channel all sales of minerals from artisanal miners through a centralised state trading operation. The project's goals are to fight the illegal trade in minerals and increase government revenue. By mid-June, the province had only 87 confirmed Covid-19 cases.



PHILIPPE WYVEKENS



CAROLINE THIRION

## Jeanine Mabunda

Checker and balancer

As president of the national assembly, Mabunda is a critical Kabila ally, since FCC Kabila loyalists have a majority of seats. A businesswoman and former minister for state-owned companies, she is a staunch defender of her institution. She told *Jeune Afrique*: "I also think that the Congolese people absolutely want to presidentialise our mode of governance." At the head of the institution, she played a key role in the saga around the removal of deputy assembly president Jean-Marc Kabund-a-Kabund in June and the appointment of the controversial head of the national electoral commission in July.

## Clément Kuete Nymi Bemuna

Minding the state's stakes

Thanks to the role of state-owned companies in the mining sector, Kuete's role as minister for public enterprises is a highly strategic one. Tshisekedi has complained in private that Kuete, a Kabila ally, is openly flouting his policies. The government is seeking to get more private investment in state-run firms, but NGOs have raised questions about transparency.





# FINANCIAL INCLUSION IN A FLASH



**Discussion with Jonathan Johannesen  
CEO & Co-Founder**

A pioneer in the digital distribution of money transfer services in Central Africa and one of the first companies to invest in FinTech in Congo, Flash has revolutionised financial inclusion and digital services in Central Africa.

## WHAT IS FLASH AND HOW HAS IT CHANGED THE FINANCIAL SERVICES SCENE IN CONGO AND THE REST OF CENTRAL AFRICA?

Flash is a FinTech company providing innovative financial and VAS distribution platforms. It created the first financial services and value-added services aggregation platform in the region, a real revolution in the world of digital distribution thanks to the introduction of omnichannel digital wallets used by merchant agents as well as the Congolese population.

For a long time, coverage of the DRC and Congo in terms of financial services was weak. Flash, via its subsidiary CFC, a financial messaging service leader, was one of the first to offer Congo's unbanked population value-added and mobile money services through its agency network. Since integrating the Compagnie Financière du Congo (CFC) into its network in 2018, the Flash platform provides money transfers, electronic money, bank account payments, Visa cards, telephone recharge, Internet data plans, television subscriptions, merchant payments, tax payments and other value-added services.

Flash currently operates in three countries. The DR Congo, the Republic of Congo and Ivory Coast.

## WHY ARE INTERNATIONAL PARTNERSHIPS SO IMPORTANT TO FLASH OPERATIONS?

Flash relies on agents and third party partners to provide its financial services, be it mobile money and money transfers or tax payments, top-ups, games and insurance. Flash considers its agents as real partners because, in most instances, it enters into joint ventures and super distribution agreements in selected markets.

Flash has integrated with third party companies such as Western Union for money transfers, M-Pesa, Airtel Money and Orange

Money for mobile wallets, VISA for Flash money debit cards, Vodacom, Airtel, Orange, Africell, MTN and Konnect Africa/Eutelsat for telecommunications and internet, Canal+, Easy TV and Star Times for cable TV, utility bill payments for REGIDESO, event tickets with Flash Ticket, RawSur, Activa and SFA for insurance, Ecobank and UBA for agency banking, and many more.

## Multiple features revolutionising people's daily lives

### WHAT IS FLASHAPP?

FlashApp is a super mobile application first launched in 2018 in DRC and was intended to provide resellers with a multi-product digital distribution platform. It was so successful amongst more than 4,000 resellers that it generated widespread demand from the general public.

Therefore, FlashApp latest Version 3 is aimed at the general public and includes a diverse range of products and services, with a concentrate of technology: intuitive, multi-product, with account reporting, geolocation, messaging, dynamic and in real time. It has an ergonomic, user-friendly and accessible graphical interface.

Currently generating over 1 million transactions per month, FlashApp is the market leader in money transfer and digital distribution, which revolutionised people's lives with its multiple features.

A disruptive platform that allows its agents and general public to aggregate more than 20 products in one single wallet from remittance to foreign exchange, as well as digital lifestyle services, FlashApp has become the most convenient platform to resell or acquire services. In essence becoming a unique neo-bank app designed for merchants and unbanked populations.

FlashApp is now available on Google Play store and iPhone App Store.







Katanga Mining's Kamoto project remains open in 2020

SIMON DAWSON/BLOOMBERG VIA GETTY IMAGES

## MINING

# Covid-19 and cobalt crash make a one-two punch

The global health crisis is slowing the development of processing plants after plummeting cobalt prices led to the closing of some operations in 2019

By **CHRISTOPHE LE BEC** and **HONORÉ BANDA**

The Covid-19 crisis has exacerbated problems that were already brewing in the mining sector in the DRC, a major producer of the cobalt used in electric-car batteries and the copper used in materials for the construction and power sectors. After hitting highs of \$100,000/tn in 2018, cobalt prices crashed to around \$30,000/tn in 2019 due to a combination of increased production and a slowdown in purchases from China, the world's largest consumer of the mineral.

The Kinshasa government's drive to ban unprocessed exports, and the struggles of the electricity sector, have added to mining's woes. In late June, mines minister Willy Kitobo Samsoni told media that "almost all these projects

[for local processing] have been postponed until next year".

In August 2019, Swiss commodities giant Glencore suspended operations at its Mutanda mine – the world's largest cobalt mine, which had produced 27,000tn of cobalt and 200,000tn of copper in 2018. So far, the DRC government has lost around \$1.4bn in tax revenue due to this closure.

In 2020, Glencore only has one remaining operating mine in the region – the one at Kamoto, owned by its subsidiary Katanga Mining.

# \$1.4bn

Loss of tax revenue to the DRC from Glencore's suspension of operations at its Mutanda mine

The closure of the other mines has meant a total of around 17,000 workers have lost their jobs.

Concerns about Covid-19, particularly a three-day containment in early April, means that the annual production rate at Kamoto, which was 234,000tn of copper and 17,000tn of cobalt in 2019, has been revised downwards. The company has not made the current rate of production public. In addition, maintenance and development operations have been slowed down, including reports of delays in the construction of a new plant for the production of sulphuric acid, used for mineral processing.

## Swiss prosecutors close in

Glencore has problems of its own too. It is facing a criminal investigation in its home country of Switzerland for failing to put in place measures to prevent alleged corrupt practices in the DRC.

This investigation is the result of a wide-ranging inquiry started in May. Glencore is the first corporation to be specifically targeted.

A group of 11 civil society organisations said in a letter to 14 of the DRC's biggest copper and cobalt mining companies that they should end mandatory mine-site confinement policies. Mines had been sealed off to avoid Covid-19 outbreaks that could force them to shut down. Workers have reported insufficient food and water, inadequate accommodation and a lack of the correct protective equipment and hand washing facilities.

The Congolese mining sector's growth depends on the country's ability to provide sufficient power. Some miners are turning to small renewable projects as mega-projects like the Inga III dam face delays. Ivanhoe Mining and its partners are refurbishing the 72MW Mwadingusha dam as part of plans to launch production at the Kamoa-Kakula joint venture in 2021. ●



# BGFIBank DRC: An Odyssey of Challenges and Opportunities

**In 2020, the Bank launched its strategic plan “Accelerate Transformation 2020” amid the Covid-19 pandemic, what has been the impact for the Bank?**

In 2019, BGFIBank DRC strengthened its capital with a USD 20 million injection making the Bank resilient and well positioned to absorb the impact of this health and economic crises.

In the early phase, our priority was, of course, the safety of our employees, clients and partners and we rapidly put in place strict sanitary measures to keep them safe.

precedented context gave us the opportunity to test with satisfaction our business continuity plan and to rethink the way we operate with the permanent addition of digital solutions across the Board.

**What is BGFIBank DRC adding to the Congolese banking sector?**

We are part of BGFIBank Group, one of the largest financial services companies in Sub-Saharan Africa with a total balance sheet in excess of USD 5 billion, a presence in 11 countries and a 50 years experience in service of Africa. As such, we are well posi-

Institutional clients and Professionals. We also actively seek clients and partners who share our core values: Work, Integrity, Transparency, Responsibility and Team Work.

**Since your nomination in November 2018, what are your biggest achievements?**

I am particularly proud of the work we have done in the domain of compliance. BGFIBank DRC is working towards an external and independent anti-money laundering and terrorism financing certification planned for the end of 2020. The Banking sector in DRC can be considered nascent, in terms of relative size, but local and international banks like BGFIBank DRC have entered this complex market with a long-term view to increase the low banking penetration rate (10-15%) but also perform capacity building in order to lay the foundation of a strong and virtuous banking sector, which is essential for the sustainable economic development of the Democratic Republic of Congo.



**Marlène  
NGOYI MVIDIA,**  
*Managing Director and  
Board Member  
BGFIBank DRC SA*

**“The Banking sector in Congo can be considered nascent but banks like BGFIBank have entered this complex market to increase the low penetration rate but also perform capacity building, essential for the sustainable economic development of the DRC”.**

Banking being classified as « essential services », our teams across the country continue to work with a great amount of dedication to ensure the seamless continuity of our activities.

Our attitude is: « when given lemons, make lemonade » and this un-

tioned to understand our clients and offer them tailored-made solutions to resolve their challenges and to help them capture greater opportunities.

At BGFIBank DRC specifically, we are focused on 4 key segments including Large Corporates, high potential SMEs,



# AGRIBUSINESS DOSSIER

Dangote's  
fertile ground

AFRICA





Dangote Industries' fertiliser plant and its future oil refinery occupy the same site on the Lekki Peninsula

TOM SAETER/BLOOMBERG VIA GETTY IMAGES

Fertiliser from Dangote Industries' \$2bn urea plant is set to hit the market in September 2020. It comes with a promise to train farmers to increase their yields as the Nigerian government continues its drive to promote agriculture and reduce imports

By **OLUWATOSIN ADESHOKAN** in Lagos

The Covid-19 crisis is leading many governments and companies to focus on producing more at home, but that issue was already on the agenda of Nigerian industrialists, farmers and the government in Abuja. Nigeria's richest man, billionaire Aliko Dangote, is making a series of big bets on the health and appetite of the local market, including a \$2bn fertiliser complex and a \$12bn oil refinery. Despite delays caused in part by the Covid-19 lockdown, Dangote Industries urea fertiliser should be on the local market by September. The fertiliser plant, which sits on the Lekki Lagoon, recently reached mechanical completion and is almost ready for full-scale production.

Dangote Industries began preparing its future marketplace well before the plant project began, so it has not been thrown too far off course by the obstacles that have arisen since then. Senior managers had been expecting the granulated urea fertiliser plant to be completed in May, but Covid-19 and other technical challenges had an impact on the commissioning, says Devakumar Edwin, the company's group executive director for strategy, portfolio development and capital projects. The government granted Dangote Industries an exemption during the general lockdown, which allowed workers to make up for lost time.

By early June, the boiler had been fired, steam blowing had already started and power had been produced at the refinery. "I should be able to put urea [fertiliser] in the market in the next 90 days," Edwin

told *The Africa Report* in early June.

It will be some time before the plant can reach its full production capacity of 3m tonnes per year.

Still, the timing has been challenging for the company. Having launched a test run of the \$2bn facility in February, the pandemic shut down roads and has undercut the purchasing power of potential fertiliser buyers. But it also prevented the contractors – India's Tata Group and Italian engineers Saipem – from being physically present to participate in the commissioning of the plant.

### Online commissioning

The show must go on, however, even if that means using remote communication technology. Edwin points to the opening orchestrated by Dangote Group of a clinker export terminal in Apapa: "The vendors were from the UK. They couldn't come. We commissioned it online." And the fifth production line at Dangote's Obajana cement plant was also commissioned in May, despite needing a German-built crusher and a kiln from China.

The fertiliser plant is fed by gas bought from Chevron Nigeria and the Nigeria Gas Company under a long-term agreement. It stands on the same site as the refinery Dangote Industries is building on the Lekki Peninsula, to the east of Nigeria's commercial capital, Lagos.

Once commercial operations begin in earnest at the fertiliser plant, Dangote Industries will focus first on the Nigerian market. "With the scarcity of foreign exchange, importation of fertiliser into the country is going to be a big challenge.



That will be a huge vacuum for us to go and fill, so our primary focus will be Nigeria," Edwin says. After that, the market target is Africa: "The secondary focus will be West Africa. We can take advantage of the Economic Community of West African States trade development scheme." The company hopes to tap into the increasingly open trade in the region.

### Protectionism's pitfalls

This is not to say that trade dynamics have been all cheery and bright. Last year, Nigeria shut down its land borders with neighbouring Benin to stem what the government in Abuja called "illegal trade". Nigerian producers had been unable to meet local demand for agricultural products.

With the government blocking rice and other food imports, Nigeria's inflation rate hit a 21-month high in February, at 12.2%. Critics of the move see a vicious cycle of rising costs

1/10

African countries currently apply about one-tenth of the global average amount of fertiliser per hectare

where the country is unable to meet demand, which then spurs more smuggling.

Beyond West Africa, Dangote Industries hopes to target countries in Central Africa, where it has already opened cement factories. "I have a good knowledge of these countries and the market because I set up the plants," Edwin explains. "So we have a good hands-on knowledge of the ground realities, the markets. And our team [does] too. So it will be easy for us to penetrate into those markets." In East Africa, however, options are limited because of the cheaper logistics available to companies in the Middle East, he points out.

Dangote Industries will also be targeting global markets. "Today, the entire South American market is fed from Russia and the Middle East," Edwin says. "We will have the freight advantage, so we can easily focus upon the big markets, including Brazil, Mexico, Argentina, Peru and Uruguay. There's a huge market in that area. And there are also some markets in North America and the US, using the Mississippi River to move in country," says Edwin.

Producing fertiliser is only half the battle, however. Billionaire industrialist Dangote's vision from the beginning was to engage with future customers, according to Edwin. The idea was to help build knowledge of the product ahead of time so as to ensure customers would be interested from day one.

### Educating farmers

The company began a farmers' education and training programme to provide post-sale services and education to local farmers. In Katsina State, Dangote Industries has set up a model farm. In Sokoto, it has distributed high-yield varieties of seed. For many of the recipient farmers, production has increased from 2-3tn per hectare to 6tn.

Nigeria, like many African countries, has very low levels of fertiliser use. The African Development Bank said in 2019 that on average African countries apply about one-tenth of the global average level. The World Bank reported an average fertiliser use rate of 5.5kg per hectare in Nigeria in 2016, while Egypt was the continent's top consumer per hectare in the same year, at an average of 649.2kg per hectare. The International Fertiliser Association predicts that fertiliser demand in Africa will grow at a rate of 5% per year from 2022 as use continues to rise. ●●●

## Fast-growing fertiliser competition

The Nigerian government's late-2018 ban on the import of all NPK fertilisers (fertilisers that contain nitrogen, phosphorus, and potassium) will certainly help domestic producers. The government in Abuja has also restricted allocations of foreign exchange to companies that import fertiliser. These moves have attracted the interest of large foreign and local players.

Dangote Industries' 3 million tonne per annum (mpta) Lekki facility will add a great deal of capacity to a market which, at its peak in 2017/2018, was consuming 1.5mpta. And there are currently two major players already producing urea fertiliser in Nigeria; Notore Chemical Industries has a 0.5mpta plant in Onne, Rivers State, and Indorama Ventures has a 1.4mpta plant in Port Harcourt, also in Rivers State. Indorama, whose primary focus is the export market – primarily Brazil – has started work on a second line.

Moroccan phosphate producer OCP Group – the world's largest fertiliser exporter – announced in November 2019 that it has plans to build a \$1.3bn ammonia plant that is expected to begin production in 2024. At present, OCP supplies more than 90% of Nigerian fertiliser demand. The Moroccan giant hopes to boost supplies to Nigeria to 3mpta from 1mpta currently. It is due to launch blending facilities in Kaduna and Ogun states so that fertilisers can be adapted to local soil conditions.

All of these projects add up to a lot of supply. Dangote is betting that demand will be jumping up to meet it. That is something that might happen even faster if competition leads to significant price cuts. ●





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# Congo Invest Consulting



**W**hen one is asked where a good place is to invest in Africa, the Democratic Republic of Congo does not come first in his mind. Despite all the negative and sensational news, CIC strives to change this narrative by offering the best information on the country. Through **sectoral studies, facilitation in making contact** with the appropriate decision makers and institutions of the public and private sector, and by **seeking funds for Congolese SMEs**, CIC asserts itself as a **gateway for local and foreign investors** eager to find new business opportunities in the DRC.

For instance, CIC is a Partner Institute for the World Economic Forum since 2015 and realizes the Global Competitiveness Survey which addresses more than 200 private companies from all over Congo. Thanks to its participation in international forums, CIC expands its network to better meet the needs of investors. CIC also promotes its corporate social responsibility towards the youngest entrepreneurs by supporting start-ups to seek responses from state institutions or local banks. CIC is mentoring the next entrepreneur generation.

We also professionally assist companies already located on Congolese territory with **their digital transformation** (upgrade/setup), which is an absolute necessity given the current international environment. In addition, we offer foreign companies wishing to set up in Congo-Kinshasa a **“virtual representative office”**, at the lowest cost, allowing them to effectively take charge of their prospecting, their communication and the management of their local providers.

The Democratic Republic of Congo is potentially one of the richest countries on earth. It is a place blessed with every type of mineral and a massive country, the size of Western Europe. It presents huge development potential. CIC can help you meet challenges and respond to opportunities.

JAMG - PHOTOS : DR.

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●●● “I’ll have no problem about selling my fertiliser,” says Edwin. “But our focus is not just to sell fertiliser within Nigeria but provide a greater impact. The fertiliser after-sales team will heavily focus on this. They will not just be working with fertiliser; they’ll be working with the farmers to educate them, train them, support them with the skills to assist them with seeds and pesticide [beyond] the fertiliser we’re working on.” Dangote Industries says that this engagement will help insulate it from some of the competitive pressure that is building in the fertiliser space in Nigeria (see box).

Farming not fighting

The push into fertiliser also helps align the company with the broader strategic goals of the current government led by President Muhammadu Buhari. The administration in Abuja wants investments in farming to help in the socioeconomic fight against rebel groups such as Boko Haram, who recruit among the ranks of the unemployed in areas that could profitably be turned to agriculture.

“What President Buhari felt was if we focus on farming, people can go back to the farms, and that will generate a lot of employment. It will bring down the poverty levels in the country and bring down the crime rate in the country, bring down the number of people getting trapped with wrong philosophies.”

One strategy Dangote Industries says it is not pursuing is bulk contracts with government. “As a business, we’ve never gone into [...] government deals,” says Edwin.

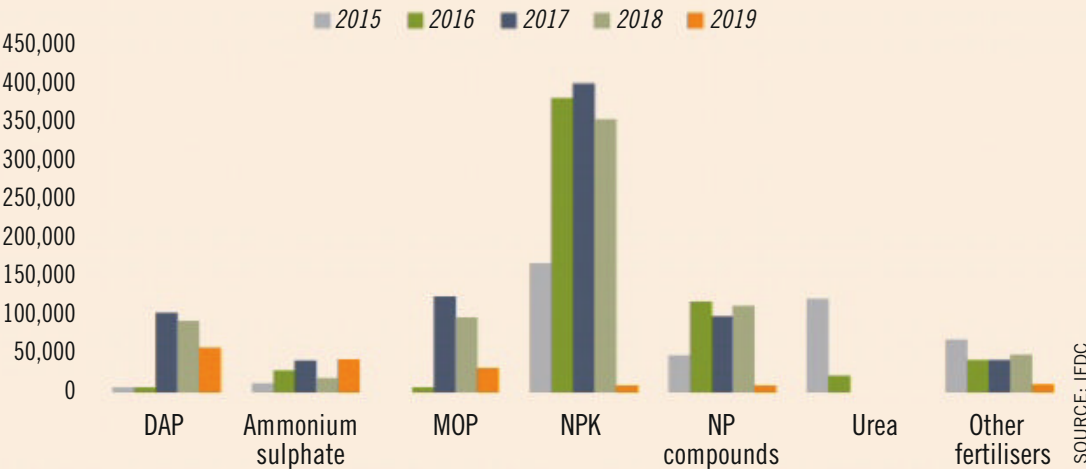
5%

Expected growth of fertiliser demand in Africa from 2022, according to the International Fertiliser Association



LUIS TATO/AFP

NIGERIA'S TOP FERTILISER IMPORTS PER YEAR (tn)



SOURCE: IFDC

“[Fertiliser] is essentially being used by farmers.” He is referring to an earlier system whereby middlemen distributed to farmers in an opaque system, which was ultimately replaced by a government agency. “But still, some of the state governments would like to operate the facility because they may like to extend a credit facility to their farmers. Ironically, quite a few governors have approached us, asking about the starting date: ‘So when can we get the fertiliser into the market?’ So we will be working with those state governments.”

With Covid-19’s impact on the price of oil, economic diversification is more important than ever. Edwin concludes: “One

of the reasons that people have abandoned farming today is everybody says: ‘Oh oil came.’ And everybody abandoned farming. But that, as far as I’m concerned, is a very funny statement. No farmer abandoned his farm and went into the oil business, not one. They just left the farms because the farming became unprofitable.”

Of course, cheaper and more plentiful fertiliser supplies alone is not a silver bullet for agribusiness. The country also needs better road networks, credit facilities, processing plants, power supplies and storage facilities – which require the intervention and cooperation of many other players in the agribusiness trade. ●



## CELEBRATING 20 YEARS AS A COMMITTED PARTNER TO THE DRC

Perenco is proud to support the DRC in the sustainable development of its oil and gas resources, and over the past two decades to have made a significant contribution to the economic and social fabric of the country.

### Developing skills and empowering communities

Perenco actively supports a wide range of important community programmes in the fields of education, healthcare, agro-forestry and broader environmental protection, as well as providing the water and electricity to 200,000 inhabitants of Muanda.

### A long-term and responsible approach

Today in the DRC, Perenco operates 11 fields onshore and offshore with an average production of 25,000 boepd. Production is routed to the Kalamu floating terminal, with its storage capacity of 1 million barrels of oil.

Since entering the DRC in 2000, Perenco has invested heavily in new wells, commissioning approximately 25 a year. This strategy continues to maintain production levels and to slow

the reservoirs' natural decline, and clearly demonstrates the deep technical know-how and day to day ingenuity of Perenco's teams.

Perenco is engaged in promoting transparency in the energy sector and is a member of the ITIE-DRC Executive Committee (Extractive Industries Transparency Initiative).

### The leading independent oil and gas company

Perenco is active in five African countries (DRC, Cameroon, Congo, Gabon, and Tunisia), as well as in Northern Europe, South America and South East Asia. Founded in 1975 by Hubert Perrodo, Perenco has expanded steadily through acquisitions, drilling and production enhancement. With a focus on mature fields, Perenco now produces 465,000 boepd and employs over 6,000 people globally.



François Perrodo, Chairman, joins the team and members of the local community on a sustainable farming project in Yema.





PROCESSING

# Home-grown solutions

The Covid-19 crisis has forced far greater local sourcing, as ports and planes ground to a halt. But, for this welcome change to be permanent, structural reforms are needed

By **HONORÉ BANDA**

For Lillian Kidane, a partner at consulting firm Dalberg, one silver lining of the pandemic might be that ‘local sourcing’ becomes more than just a buzz word in Africa. Getting agriculture right has been the launch pad for industrial revolutions around the world.

The problem is that homegrown often means more expensive. “Something has to change if we want to build resilient local food manufacturing capacity on the continent. Only 35% of raw materials used in typical African fast-moving consumer goods operations are sourced from Africa,” Kidane says at an event organised by The Africa CEO Forum.

Vimal Shah, chief of Bidco, a Kenyan consumer goods company, sees two conditions for a true shift towards local sourcing. “First, governments need to say: ‘Let’s take action. We want to process locally.’ Number two concerns tariff structures. I think many tariff structures are still geared towards importation.”

## Higher-yield policies

Farmers will also need to bump up productivity, with average African yields often 50%-80% lower than elsewhere in the world. “Increasing domestic production means that you need to be open to technology and to favourable policies at the farm level to allow investments,” says Wandile Sihlobo, chief economist at the Agricultural Business Chamber of South Africa.

“Governments don’t like agriculture because it’s a long-term investment,” argues Imad Bouziane, a senior vice-president at Nitron Group, a chemical and fertiliser company. “It’s a lot of hassle and requires more complicated programmes to be put in place. [...] Most of the time, they would rather go for fast-return businesses.”

Another long-term investment is infrastructure. Uche Ogboi of Lori Systems, a logistics platform, says this is the key constraint. “Fix

**‘Governments don’t like agriculture because it’s a long-term investment’**

the roads! Governments must think about multimodal systems of transportation.” Ikenna Nzewi, CEO of Nigerian logistics startup Releaf, concurs: “If we are able to ensure that trucks are loaded on every trip and that they don’t have to make one empty trip, that automatically reduces transport costs.”

Bidco’s Shah sees the Africa Continental Free Trade Area (AfCFTA) as a great opportunity. “Borders are the barriers that we need to bring down in Africa. AfCFTA [...] will be a big boost for African agribusiness.” And he also points to the potential for technology: “We can actually accelerate the competitiveness of our agriculture through digital solutions.”

Progress is being made. Take Tanzania, where projects have improved the lives of 500,000 farmers. “Two-thirds of the palm oil consumed in Tanzania was imported, and cheaper than the locally produced sunflower oil,” says Kidane. “With investment in machinery and distribution networks, locally sourced and produced sunflower oil became cheaper than imported palm oil.” •



Sunflower oil production is a Tanzanian local-sourcing success story

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# TOP 50 AFRICAN

The financial year 2018 brought a slight drop in turnover for Africa's biggest firms despite better oil prices. The snapshot does not show any signs of the current pain from the Covid-19 epidemic that is delivering a major shock to the global economy

By **PIERRE-OLIVIER ROAUD**, **CHRISTOPHE LE BEC**, **REMY DARRAS** and **HONORÉ BANDA**





# 500 COMPANIES

It is in a truly extraordinary context, that of the global coronavirus crisis, that *The Africa Report* is publishing this year's ranking of the Top 500 African companies. The negative effect of this pandemic on the activity of companies for 2020 and beyond is still unknown. According to May estimates by the African Development Bank (AfDB), the Covid-19 crisis could result in a 0.7% to 2.8% drop in the continent's gross domestic product (GDP) in 2020. This is a first since the 1992 recession, with disastrous impacts expected, especially on countries and companies exposed to the price of hydrocarbons, which have collapsed. To measure the full extent of

the damage to companies' bottom lines, we will have to wait for our 2022 ranking, which will deliver the 2020 accounts of the continent's largest corporations. As a reminder, there is often a lag in the publication of annual results, and our ranking published this year is based upon accounts for 2018. It should be taken for what it is, namely a snapshot, in 'ordinary' economic circumstances, of the large African companies, 18 months before the onset of an era-defining crisis.

This Top 500 ranking is marked by a slight decrease in turnover in 2018 in US dollar terms. After the oil shocks of 2015 and 2016 and the ensuing currency



crises that followed, in Nigeria and Egypt in particular, the Top 500 companies made a clear breakthrough by 2017. This was reflected in a 12.1% jump in turnover in our previous Top 500.

For this edition, total revenue is down by 1.6% in spite of a context that was rather favourable over the period. The growth of continental GDP in 2018 was 3.5% – almost the same level as in 2017 – according to the AfDB. This pace continued in 2019, which delivered 3.4% GDP growth on average for Africa’s 54 countries.

So what is behind the slight decline in this Top 500? The main reason for this is the underperformance of South Africa’s companies. They represent the biggest share, 51.2% in value, of the Top 500, and their total sales drop of 11.8% (or \$48.3bn) was due largely to the impact of currency movements.

In 2018, the rand depreciated by about 15% against the US dollar. Such swings have major impacts. As an illustration, telecom giant **MTN (#7)**, recorded an income rise of 6% in rand terms in 2018. But when those results are converted into dollars, that translated into a drop of 13.1%.

Mining is a major economic sector in many countries across the continent – including South Africa – and Canada’s Barrick is shaping up to become its top player. It is not itself in the Top 500 ranking, but four of its subsidiaries are: **Kibali Gold Mine (#137)** in the Democratic Republic of Congo (DRC), **Société des Mines de Loulo (#167)** in Mali, **North Mara Gold Mine (#304)** in Tanzania and **Société des Mines de Tongon (#389)** in Côte d’Ivoire.

A year and a half after its merger with Randgold Resources, gold giant Barrick, led by South African Mark Bristow, is in great shape. Number two in the world in the sector, behind the US company Newmont Mining, the Canadian group could become the leading producer

of the precious metal in Africa this year, with more than 2m ounces extracted, following the sale in February by **AngloGold Ashanti (#31)** of its South African mines to **Harmony Gold (#103)**. Thanks to Randgold’s assets – which bring a strong presence in West Africa – but also to its CEO’s conviction that Africa’s subsoil, still largely unexplored, contains attractive deposits, Barrick is today the only big miner to implement a truly pan-African strategy.

### Local management pays off

Although the Covid-19 epidemic forced the mining giant to introduce draconian health protocols at its sites – in addition to organising the delivery of thousands of tests – the pace of its production has not slowed down much, from Mali to Tanzania. “All of our mines are run by Africans, and most of the management is local, so we have suffered less from the impossibility of expatriate travel,” says Bristow. Confined to South Africa for the months of April and May, he himself did not resume his incessant travels to places like Papua New Guinea and the US state of Nevada until early June.

By maintaining production, Barrick took full advantage of the high gold prices, driven by investors seeking a safe haven. Rising to \$1,736 on 11 June on the London Metal Exchange, the ounce was not far from its highest levels in 10 years, with a record of more than \$1,800 in August 2011. “This is a particularly auspicious time for Barrick, which finds itself with a strong balance sheet and net debt of approximately \$2bn that is shrinking rapidly as cashflow from our 2020 mine production is expected to be between \$1bn and \$2bn. Within two years, the group could be completely debt-free while owning the best portfolio of mines in the gold industry,” said Bristow in January 2020, while the price per ounce was hovering around \$1,550.

The South African boss, who spoke to our sister magazine *Jeune Afrique* at the beginning of June, admitted to being on the lookout for acquisitions, with a particular focus on the continent. “If there are opportunities, we will seize them, but we will remain extremely disciplined in our investments. We will only invest in acquisitions, mergers or asset combinations that can lead to the emergence of world-class mines capable of producing more than 500,000oz of gold per year for a decade,” says Bristow.

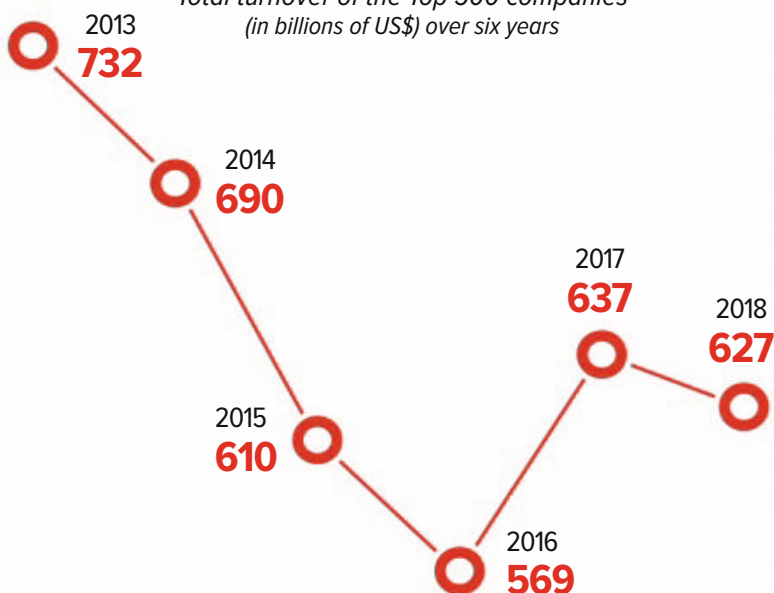
In Africa, he says Barrick already has two mining complexes of this scale: Kibali in Ituri, eastern DRC, which produces about 800,000oz per year, and Loulo-Goukoto in western Mali, which produces more than 700,000oz per year. Bristow hopes to develop a third mine, in Tanzania, through a combination of the North Mara and Bulyanhulu mines, since Barrick has improved its relations with the Tanzanian authorities.

51.2%

South Africa still represent the lion’s share of the Top 500, with 51.2% of the total turnover in 2018

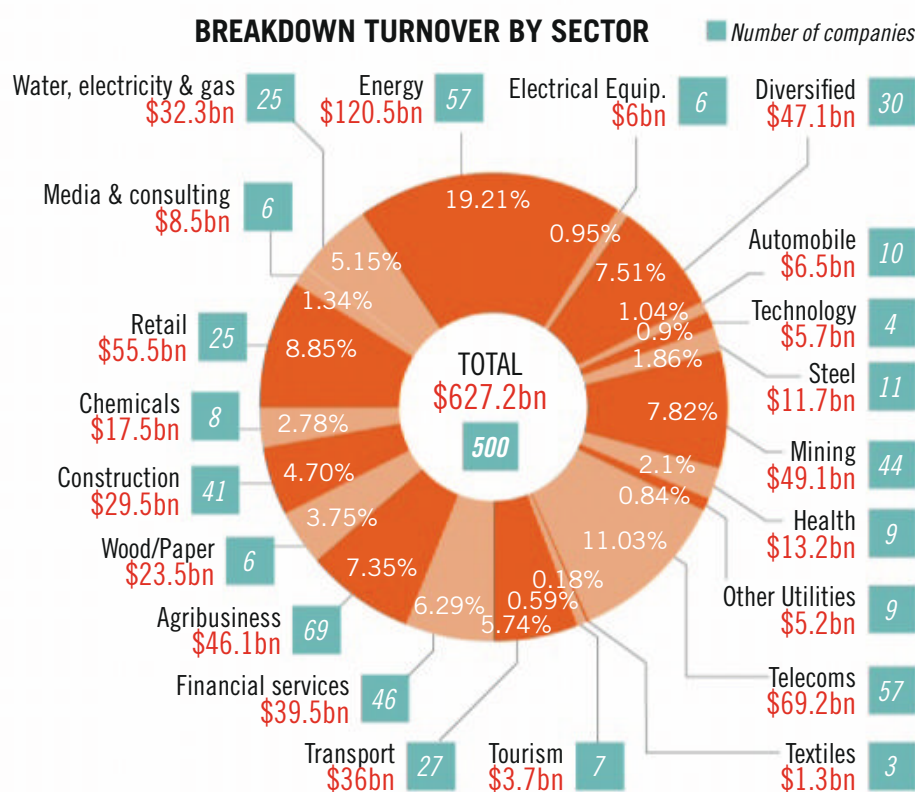
### TOTAL TURNOVER

Total turnover of the Top 500 companies (in billions of US\$) over six years



TAR RESEARCH





## TOP CLIMBERS

| Company                     | Country | Turnover 2018<br>(thousand US\$) | % turnover<br>change |
|-----------------------------|---------|----------------------------------|----------------------|
| NCMP (#456)                 | Egypt   | 222 007                          | 168%                 |
| Misr National Steel (#472)  | Egypt   | 209 136                          | 72%                  |
| SODIC (#476)                | Egypt   | 207 815                          | 61%                  |
| Hassan Allam Holding (#133) | Egypt   | 1 060 043                        | 61%                  |
| Jumia Group (#148)          | Nigeria | 949 485                          | 57%                  |



## TOP FALLERS

| Company                      | Country   | Turnover 2018<br>(thousand US\$) | % turnover<br>change |
|------------------------------|-----------|----------------------------------|----------------------|
| Driefontein Mine (#342)      | South Af. | 353 848                          | -46%                 |
| Sanlam (#19)                 | South Af. | 5 380 625                        | -42%                 |
| South Deep Gold Mine (#471)  | South Af. | 210 100                          | -41%                 |
| Group Five Holdings (#258)   | South Af. | 508 734                          | -37%                 |
| Sudatel Telecom Group (#363) | Sudan     | 325 653                          | -37%                 |

TAR RESEARCH

Excluding South Africa's weaker performance, this Top 500 reports a rise in overall turnover, whether by region or sector. For example, in North Africa, the second-largest region by its weight in the ranking (see chart on page 70), the activity of the 142 companies, compared to their equivalent last year, grew by 14.6%, totalling \$174bn in turnover. This is due in part to a recovery in oil prices in 2018 – a \$64.8 annual average for West Texas Intermediate compared to \$50.9 in 2017, according to the World Bank. The Algerian national oil company **Sonatrach** (#1), which remains far and away the top African company in terms of turnover, saw its activity expressed in dollars jump by 17%.

Most Egyptian companies, such as **EgyptAir** (#72, with a jump of 27 places), rose in their ranking, illustrating a form of normalisation in the country run by President Abdel Fattah al-Sissi after the monetary and then inflationary crises of 2016-2017. Egypt's GDP rose 5.6% in its fiscal year 2018-2019.

## North African leader

Morocco remains, after South Africa, the second most important country in terms of the number of companies on the list. Morocco's 61 companies represent 8.6% of the Top 500's total turnover. Its top firm, the **OCP Group** (#15), rose by 10 places thanks to a strong commercial performance and fertiliser sales.

West Africa is the third-placed region in terms of the number of companies and turnover. Nigeria's largest tax-payer, **NLNG**, entered the rankings for the first time at #11 (it had previously supplied no data). The energy

joint-venture offers a bright spot in West Africa's corporate growth in the next few years thanks to a \$4bn investment in Train 7 of its LNG plant that kicks in this year. But while NLNG's inclusion ramps up the figures of our Top 500, the context was still marked by regional giant Nigeria's economic doldrums. Despite the higher price for crude that benefited companies like **Oando** (#77, and up 26 places), the country registered growth of merely 1.8% in 2018, which higher growth rates in Ghana (6.3%) and Côte d'Ivoire (7.4%) could not counterbalance. Ghanaian oil companies, like the local subsidiary of **Tullow Oil** (#104, up 11 places), performed well in our Top 500. Conversely, lower prices for agricultural commodities weighed on the likes of the Ivorian **Groupe Sifca** (#174 and down 31 spots).

On the other side of the continent, East African companies continue to gain weight in our rankings. The turnover of East African countries in the Top 500 increased 12.9% to \$23.1bn in 2018. This is evidenced by the spectacular rise of **Ethiopian Airlines** (#29), which climbed 23 places since the previous edition. Also in good shape is Kenya's top telecoms operator, **Safaricom** (#60), which climbed four places.

Interviewed in May, Ethiopian Airlines chief executive, Tewolde GebreMariam, told *Jeune Afrique* that despite the coronavirus pandemic, Ethiopian Airlines remains focused on its strategic vision for 2025: "We will not change our long-term strategy because of a crisis that we think is temporary. We have about 60 aircraft on order. Some were due to arrive in 2020, others in 2021. Their delivery has not been suspended but postponed."

# 61

Moroccan companies feature in the Top 500, making it the second most represented country



But the immediate future remained unknown. Tewolde estimated that Ethiopian suffered a loss of income of about \$1bn as of 15 May. So far, the Addis Ababa-based company has been able to maintain current staff levels while some of its peers have headed towards financial disaster. “Indeed, there were no layoffs. We have been able to pay salaries because of our strong financial balance. The last few years have been profitable. The strategy of diversifying our activities in cargo, maintenance and hotels is proving to be the right one, as it is helping us to get through this period,” Tewolde said.

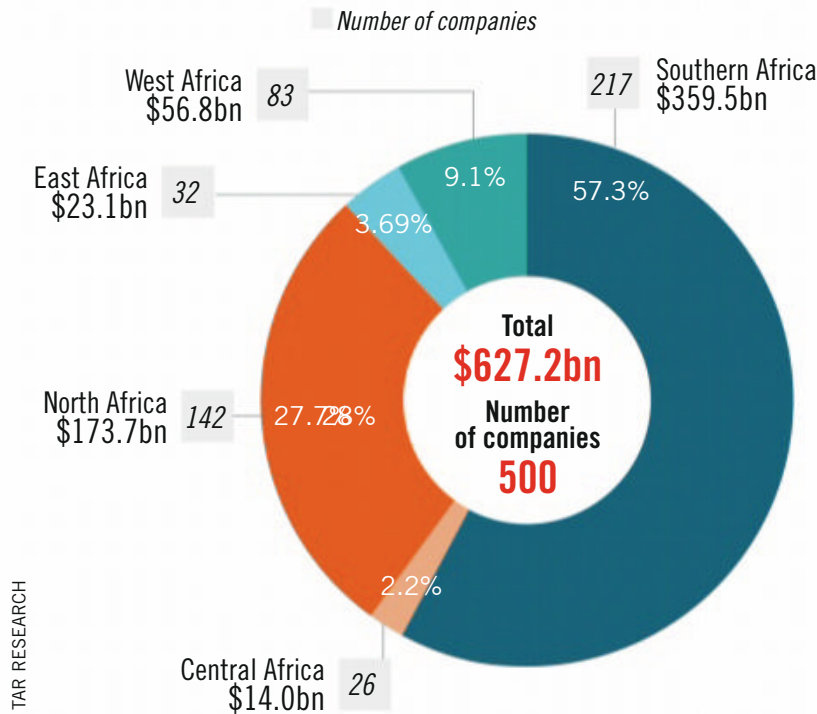
### Strengthening African ownership

Ethiopian Airlines has embarked on a very strict cost-cutting programme, Tewolde pointed out. “I never said I would appeal to the state [for a bailout]. To date, we don’t need it. We are working hard to manage the crisis using our own resources. But if the situation worsens, we will look at other options, such as restructuring our debt, borrowing money for liquidity. It is very difficult to know whether the recovery will be slow or fast,” he continued.

Once managing the immediate crisis is behind them, there will be talks about possible investments or cooperation with a number of ailing African airlines, from South African Airways to Air Mauritius and Air Madagascar, the CEO said. Ethiopian already has investments in airlines in Chad, Equatorial Guinea and Togo. The goal is to strengthen the local share of the continent’s air traffic: “About 80% of the traffic in Africa is controlled by non-African companies. Our immediate strategy is to increase the share for African players to 50%. We aspire to a dynamic, African-owned and African-managed airline industry in Africa.”

To conclude this continental panorama, Central Africa remains the region in the Top 500 companies ranking with the fewest companies. However, it did better than in 2017, adding three more firms to reach 26 in total. The top firms in the region produced a revenue jump of 29.8% to \$14bn, mainly due to higher oil prices. In

### REGIONAL WEIGHT BY TURNOVER



TAR RESEARCH

Cameroon, the *Société Nationale des Hydrocarbures* (SNH, #90) rose 21 places. Operating in the manganese sector, Gabon’s *Compagnie Minière de l’Ogooué* (COMILOG, #110) was the second-largest company in the region and rose by eight places.

In general terms, this edition is marked by a decline in profitability. The average net profitability of the 401 companies in the Top 500 for which we have data (which excludes, for example, family-owned holding companies such as Dangote’s) was 7.3%, compared with 8.4% in the previous year. However, the profitability of the 100 top-performing companies was 27.4%. That is a very positive result and close to the 27.5% of the 2019 edition. The champion for profits in this year’s ranking is South Africa’s *Naspers* (#38), with a 210.3% rise in profits, due in part to strong capital gains from the sale of shares of the Chinese firm Tencent. Even in times of soft growth, some companies have been keeping their pockets full. •

## METHODOLOGY

This year, we sent our questionnaire to more than 15,000 companies active on the continent. After cross-checks and verification, we established a ranking of approximately 1,400 companies, which includes responses from previous years. The top-ranking 500 are published here. To allow for comparison, we apply the same rules to all our data: 1) All financial data must have a clearly defined

source, generally communicated to us by the companies themselves, and must refer to the year 2018 (in some cases 2018/2019); 2) If presented in the local currency, we convert the data into US dollar amounts according to the rate on 31 December 2018; 3) We include all companies that fall under the legal jurisdiction of at least one of the 54 countries in Africa, which is why a holding company and

a subsidiary can both feature in the list; and 4) Where we cannot obtain up-to-date figures, we use those of the previous year (marked with an asterisk and italics). After two years of silence, a company is struck off the rankings. The turnover change is based on the latest available data and not necessarily what was published in the previous ranking, as firms regularly update their financial statements. •



# GardaWorld provides expert remote-site security services in the DRC



**A typical river crossing on the Congo River near Haut-Lomami, DRC**  
Photo credit: Sean Van Antwerp, Director Strategic Clients Sub-Saharan Africa, GardaWorld Security Services, Middle East & Africa

The DRC is known to be a challenging environment, but GardaWorld has a proven track record of overcoming security obstacles in the country. By assisting in mitigating and reducing risks, GardaWorld enables their clients to operate successfully in the country. “We are the only company that combines local knowledge and global standards, safeguarding not just people and assets, but also our clients’ reputations,” says Sean Van Antwerp, Director Strategic Clients Sub-Saharan Africa, GardaWorld Security Services, Middle East & Africa.

## **Gardaworld has 18 years of experience in the DRC**

GardaWorld started operations in the DRC in 2002 (as KK Security) and today boasts more than 114 clients across the country. The security company is proud to have a 99% local national workforce, which allows them to combine local knowledge and expertise with the highest accredited international standards in the industry. Van Antwerp explains, “It is this combination that is unique to GardaWorld and essential in complex, high-risk environments such as the DRC. This is how we have enabled our clients to do business in the DRC safely, securely and continuously for almost 20 years.”

## **Movement in the northeastern part of the DRC has always been hazardous**

Even today, travel within the country continues to be hampered by conflict, crime, poverty and weak infrastructure. On many occasions the challenge for ordinary people to provide for their families is overwhelming, and the provision of humanitarian support to the people who really need it the most is hard. This unstable environment affects any business operating or person traveling in the region.

## **GardaWorld enables international clients to travel within the country**

On many occasions, GardaWorld has supported missions to assist international clients to move throughout the region—in the face of seemingly insurmountable obstacles. “Goma and Bukavu are strategic hubs for the United Nations, as well as for other international organizations, non-governmental organizations and aid agency partners operating in the DRC,” says Van Antwerp.

While operations in Goma and Bukavu are not too complicated with prior planning, Benia and Bunia prove far more

challenging. Frequent road travel outside the towns of Benia and Bunia is not possible due to unpredictable militias, armed skirmishes, and frequent ambushes, so alternate means of transportation must be used.

Van Antwerp then gives an example of how GardaWorld was instrumental in overcoming a challenge in transporting food for distribution, and delivering aid. Under the guidance of GardaWorld’s Congolese Operations Manager Patrick, the GardaWorld team conducted a physical assessment with their client of the areas around Goma, Bukavu, Uvira, Beni, Bunia and Dungu. This was done to determine various logistics, transportation and infrastructure hubs to support food distribution in the area, and how aid could be delivered safely by road.

Following the physical assessment, road transportation routes were vetted and confirmed in several of the areas. However, in areas controlled by the Mai Mai, the team had to use local air charters as ground movements were simply too dangerous. The task was a success, giving the client the full detailed routing to be able to confidently and securely deliver the food and aid, providing much needed relief to local communities.

**For more information about how GardaWorld can support your operations in the DRC,**

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**GARDAWORLD**







'Consumer confidence in South Africa is very low [...] people are not buying new cars.'

**DOMINIC MALENTSHA SEWELA** Barloworld (#26)

## 1-50

| Rank 2018 | Rank 2017 | Diff. | Company                            | Sector               | Country             | Turnover (2018) | Turnover change | Net profits    |
|-----------|-----------|-------|------------------------------------|----------------------|---------------------|-----------------|-----------------|----------------|
| 1         | 1         | 0     | Sonatrach                          | Petroleum            | Algeria             | 48 181.5        | 17%             | 3 939.4        |
| 2         | 3         | +1    | Sonangol                           | Petroleum            | Angola              | 15 778.2        | -10%            | 257.5          |
| 3         | 2         | -1    | Steinhoff International Holdings   | Wood and paper       | South Africa        | 14 685.2        | -2%             | - 771.6        |
| 4         | 5         | +1    | Sasol                              | Chemicals            | South Africa        | 12 562.5        | -10%            | 1 787.7        |
| 5         | 4         | -1    | Eskom                              | Utilities            | South Africa        | 12 453.9        | -13%            | - 1 435.1      |
| 6         | 6         | 0     | Shoprite Holdings                  | Retail               | South Africa        | 10 059.5        | -12%            | 360.9          |
| 7         | 7         | 0     | MTN Group                          | ICT/Telecoms         | South Africa        | 9 315.6         | -13%            | 663.1          |
| 8         | 9         | +1    | Imperial Holdings                  | Diversified          | South Africa        | 8 908.7         | -5%             | 235.9          |
| 9         | 8         | -1    | Bidcorp Group                      | Food & Drink         | South Africa        | 8 263.3         | -7%             | 283.5          |
| 10        | 11        | +1    | SPAR Group                         | Retail               | South Africa        | 7 131.2         | -9%             | 126.5          |
| 11        | -         | -     | NLNG                               | Petroleum            | Nigeria             | 6 871.7         | 14%             | ND             |
| 12        | 12        | 0     | Massmart Holdings                  | Retail               | South Africa        | 6 312.4         | -17%            | 60.1           |
| 13        | 13        | 0     | Vodacom Group                      | ICT/Telecoms         | South Africa        | 6 237.6         | -11%            | 1 066.1        |
| 14        | 15        | +1    | Pick n Pay Stores Group            | Retail               | South Africa        | 5 972.6         | -9%             | 107.6          |
| 15        | 25        | +10   | OCP Group                          | Mining               | Morocco             | 5 845.5         | 13%             | 585.7          |
| 16        | 22        | +6    | Suez Canal Authority               | Ports                | Egypt               | 5 812.3         | 4%              | ND             |
| 17        | 24        | +7    | Sappi                              | Wood and paper       | South Africa        | 5 806.0         | 10%             | 323.0          |
| 18        | 18        | 0     | Engen Petroleum                    | Petroleum            | South Africa        | 5 711.5         | 2%              | 124.8          |
| 19        | 10        | -9    | Sanlam                             | Insurance            | South Africa        | 5 380.6         | -42%            | 886.3          |
| 20        | 17        | -3    | The Bidvest Group                  | Diversified          | South Africa        | 5 328.2         | -7%             | 269.0          |
| 21        | 20        | -1    | The Bidvest Group South Africa     | Diversified          | South Africa        | 5 252.2         | -7%             | ND             |
| 22        | 23        | +1    | Anglo American Platinum Corp.      | Mining               | South Africa        | 5 163.3         | -3%             | 484.1          |
| 23        | 16        | -7    | Transnet                           | Transport            | South Africa        | 5 127.9         | -13%            | 418.6          |
| 24        | 19        | -5    | Vodacom South Africa               | ICT/Telecoms         | South Africa        | 4 937.8         | -13%            | ND             |
| 25        | 21        | -4    | Woolworths Holdings                | Retail               | South Africa        | 4 748.6         | -15%            | - 245.7        |
| 26        | 26        | 0     | Barloworld                         | Diversified          | South Africa        | 4 390.6         | -12%            | 271.4          |
| 27        | 31        | +4    | Datatec                            | Media                | South Africa        | 4 332.4         | 10%             | 13.1           |
| 28        | 28        | 0     | Indequity Group                    | Insurance            | South Africa        | 4 094.8         | -6%             | 595.1          |
| 29        | 52        | +23   | Ethiopian Airlines                 | Air transport        | Ethiopia            | 3 983.5         | 47%             | ND             |
| 30        | 32        | +2    | Mediclinic Corporation             | Healthcare           | South Africa        | 3 955.6         | 2%              | - 175.4        |
| 31        | 27        | -4    | Anglogold Ashanti                  | Mining               | South Africa        | 3 943.0         | -13%            | 150.0          |
| 32        | 29        | -3    | Old Mutual Life Assurance Co.      | Insurance            | South Africa        | 3 803.1         | -5%             | 624.5          |
| 33        | 34        | +1    | Groupe Maroc Telecom               | ICT/Telecoms         | Morocco             | 3 764.2         | 1%              | 628.4          |
| 34        | 37        | +3    | Al Mada (Ex S.N. d'investissement) | Diversified          | Morocco             | 3 544.9         | -3%             | 486.2          |
| 35        | 35        | 0     | Sibanye Gold                       | Mining               | South Africa        | 3 506.9         | -5%             | - 174.5        |
| 36        | -         | -     | Multichoice Africa                 | Media                | South Africa        | 3 468.1         | -10%            | - 88.3         |
| 37        | 43        | +6    | <i>South African Airways*</i>      | <i>Air transport</i> | <i>South Africa</i> | <i>3 295.0</i>  | <i>48%</i>      | <i>- 420.0</i> |
| 38        | 14        | -24   | Naspers                            | Media                | South Africa        | 3 291.0         | 10%             | 6 921.0        |
| 39        | 30        | -9    | ONEE                               | Utilities            | Morocco             | 3 839.1         | -3%             | 204.6          |
| 40        | 49        | +9    | Sonelgaz                           | Utilities            | Algeria             | 3 264.3         | 16%             | ND             |
| 41        | 33        | -8    | Kumba Iron Ore                     | Mining               | South Africa        | 3 165.5         | -15%            | 872.0          |
| 42        | 45        | +3    | ArcelorMittal South Africa         | Metals               | South Africa        | 3 134.3         | -1%             | 94.8           |
| 43        | 39        | -4    | MTN South Africa                   | ICT/Telecoms         | South Africa        | 3 091.7         | -10%            | ND             |
| 44        | 40        | -4    | Naftal                             | Petroleum            | Algeria             | 3 044.2         | 2%              | ND             |
| 45        | 38        | -7    | Transnet Freight Rail              | Rail transport       | South Africa        | 3 017.2         | -15%            | ND             |
| 46        | 36        | -10   | Orascom Construction Industries    | Construction         | Egypt               | 3 013.5         | -18%            | 154.7          |
| 47        | 72        | +25   | Afriquia SMDC                      | Petroleum            | Morocco             | 2 941.0         | 5%              | 92.3           |
| 48        | 42        | -6    | Telkom                             | ICT/Telecoms         | South Africa        | 2 892.0         | -10%            | 231.5          |
| 49        | 48        | -1    | MTN Nigeria                        | ICT/Telecoms         | Nigeria             | 2 847.2         | -2%             | 399.2          |
| 50        | 46        | -4    | Global Telecom Holding             | ICT/Telecoms         | Egypt               | 2 828.1         | -6%             | - 238.4        |

GEOFF BROWN

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data



**Aspen Pharmacare Holdings (#53)**

is working to improve the health of patients  
in more than 150 countries.

**51-100**

| Rank 2018 | Rank 2017 | Diff. | Company                        | Sector               | Country      | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|--------------------------------|----------------------|--------------|-----------------|-----------------|-------------|
| 51        | 44        | -7    | Liberty Group                  | Insurance            | South Africa | 2 811.5         | -13%            | 236.1       |
| 52        | 61        | +9    | Ezz Steel Company              | Metals               | Egypt        | 2 742.3         | 17%             | - 91.6      |
| 53        | 41        | -12   | Aspen Pharmacare Holdings      | Pharmaceuticals      | South Africa | 2 691.1         | -19%            | 497.3       |
| 54        | 50        | -4    | Gold Fields                    | Mining               | South Africa | 2 577.8         | -8%             | 344.8       |
| 55        | 56        | +1    | Foschini                       | Retail               | South Africa | 2 570.4         | 1%              | 182.7       |
| 56        | 53        | -3    | Discovery Health               | Insurance            | South Africa | 2 539.7         | -6%             | 397.0       |
| 57        | 47        | -10   | Impala Platinum Holdings       | Mining               | South Africa | 2 482.2         | -17%            | - 747.2     |
| 58        | 67        | +9    | Dangote Cement                 | Construction         | Nigeria      | 2 469.3         | 15%             | 1 069.5     |
| 59        | 58        | -1    | Super Group                    | Auto industry        | South Africa | 2 468.9         | 2%              | 103.3       |
| 60        | 64        | +4    | Safaricom                      | ICT/Telecoms         | Kenya        | 2 444.8         | 9%              | 618.8       |
| 61        | 55        | -6    | Wilson Bayly Holmes-Ovcon      | Construction         | South Africa | 2 425.0         | -6%             | 58.4        |
| 62        | 59        | -3    | Elsewedy Electric              | Electrical equipment | Egypt        | 2 370.1         | -2%             | 285.1       |
| 63        | 60        | -3    | Santam                         | Insurance            | South Africa | 2 292.1         | -5%             | 175.1       |
| 64        | 68        | +4    | Maroc Telecom                  | ICT/Telecoms         | Morocco      | 2 167.9         | -1%             | 658.8       |
| 65        | 66        | +1    | Remgro                         | Diversified          | South Africa | 2 154.1         | -3%             | 636.8       |
| 66        | 62        | -4    | Clicks Group                   | Retail               | South Africa | 2 144.9         | -6%             | 102.1       |
| 67        | 70        | +3    | Edgars Consolidated Stores*    | Retail               | South Africa | 2 120.2         | 6%              | ND          |
| 68        | 75        | +7    | Aveng                          | Diversified          | South Africa | 2 117.1         | 12%             | - 243.6     |
| 69        | -         | -     | Middle East Oil Refineries     | Refining             | Egypt        | 2 108.0         | ND              | 96.0        |
| 70        | 63        | -7    | Momentum Metropolitan Holdings | Insurance            | South Africa | 2 069.5         | -9%             | 98.4        |
| 71        | 82        | +11   | Al Ezz Dekheila Steel Company  | Metals               | Egypt        | 2 013.6         | 18%             | ND          |
| 72        | 99        | +27   | EgyptAir Holdings              | Diversified          | Egypt        | 1 995.7         | 42%             | - 32.5      |
| 73        | 65        | -8    | Masswarehouse                  | Retail               | South Africa | 1 992.3         | -11%            | 76.2        |
| 74        | 54        | -20   | Masscash                       | Retail               | South Africa | 1 985.4         | -24%            | ND          |
| 75        | 57        | -18   | Tiger Brands                   | Agribusiness         | South Africa | 1 971.2         | -22%            | 168.3       |
| 76        | 77        | +1    | Sonatel                        | ICT/Telecoms         | Senegal      | 1 916.3         | 1%              | 352.0       |
| 77        | 103       | +26   | Oando                          | Petroleum services   | Nigeria      | 1 861.7         | 36%             | 78.9        |
| 78        | 74        | -4    | Distell Group                  | Food & Drink         | South Africa | 1 812.4         | -7%             | 62.1        |
| 79        | 73        | -6    | RCL Foods                      | Food & Drink         | South Africa | 1 792.2         | -9%             | - 12.7      |
| 80        | 69        | -11   | Blue Label Telecoms            | ICT/Telecoms         | South Africa | 1 790.9         | -17%            | - 458.5     |
| 81        | 76        | -5    | Exxaro Resources               | Mining               | South Africa | 1 764.7         | -4%             | 488.9       |
| 82        | 71        | -11   | Cevital                        | Food & Drink         | Algeria      | 1 744.4         | -14%            | 46.5        |
| 83        | 81        | -2    | Royal Air Maroc                | Air transport        | Morocco      | 1 724.5         | 1%              | 16.1        |
| 84        | 78        | -6    | Kansanshi Mining               | Mining               | Zambia       | 1 672.0         | -4%             | ND          |
| 85        | 94        | +9    | STIR                           | Petroleum            | Tunisia      | 1 657.2         | 12%             | ND          |
| 86        | 83        | -3    | Life Healthcare Group          | Healthcare           | South Africa | 1 626.1         | -4%             | 132.5       |
| 87        | 91        | +4    | AECI                           | Chemicals            | South Africa | 1 614.0         | 8%              | 71.1        |
| 88        | 122       | +34   | EgyptAir Airlines              | Air transport        | Egypt        | 1 598.0         | 42%             | - 106.8     |
| 89        | 86        | -3    | Kap International Holdings     | Diversified          | South Africa | 1 591.3         | 0%              | 110.1       |
| 90        | 111       | +21   | SNH                            | Petroleum            | Cameroon     | 1 572.0         | 30%             | 754.3       |
| 91        | 80        | -11   | Mr Price Group                 | Retail               | South Africa | 1 563.6         | -9%             | 206.4       |
| 92        | 102       | +10   | Vivo Energy Maroc              | Petroleum services   | Morocco      | 1 561.3         | 14%             | ND          |
| 93        | 93        | 0     | Cosider                        | Construction         | Algeria      | 1 529.2         | 3%              | 283.7       |
| 94        | 89        | -5    | KenolKobil*                    | Petroleum            | Kenya        | 1 523.6         | 54%             | 23.7        |
| 95        | 79        | -16   | Murray & Roberts Holdings      | Construction         | South Africa | 1 512.5         | -12%            | 18.6        |
| 96        | 85        | -11   | STEG                           | Utilities            | Tunisia      | 1 501.1         | -9%             | - 695.5     |
| 97        | 97        | 0     | Dis-Chem                       | Pharmaceuticals      | South Africa | 1 482.9         | -6%             | 52.9        |
| 98        | 106       | +8    | Petrojet                       | Petroleum            | Egypt        | 1 478.2         | 14%             | ND          |
| 99        | 95        | -4    | Saham Group*                   | Diversified          | Morocco      | 1 470.0         | 19%             | ND          |
| 100       | 92        | -8    | Flour Mills of Nigeria         | Food & Drink         | Nigeria      | 1 445.1         | -3%             | 11.0        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





**Lonmin** (#107) mining production in the first quarter of 2019 fell 7% to 2.2m tonnes from the same period a year ago.

## 101-150

| Rank 2018 | Rank 2017 | Diff. | Company                                | Sector               | Country         | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|----------------------------------------|----------------------|-----------------|-----------------|-----------------|-------------|
| 101       | 135       | +34   | Ghabbour Auto                          | Auto industry        | Egypt           | 1 439.8         | 45%             | 44.0        |
| 102       | 51        | -51   | Network Healthcare Holdings            | Healthcare           | South Africa    | 1 434.2         | -7%             | 328.4       |
| 103       | 88        | -15   | Harmony Gold Mining Company            | Mining               | South Africa    | 1 415.9         | -9%             | - 309.7     |
| 104       | 115       | +11   | Tullow Ghana                           | Petroleum            | Ghana           | 1 404.1         | 17%             | ND          |
| 105       | 87        | -18   | Pioneer Foods Group                    | Food & Drink         | South Africa    | 1 395.1         | -12%            | 74.6        |
| 106       | 84        | -22   | Massdiscounters                        | Retail               | South Africa    | 1 365.9         | -17%            | ND          |
| 107       | 117       | +10   | Lonmin                                 | Mining               | South Africa    | 1 345.0         | 15%             | 62.0        |
| 108       | 104       | -4    | Total Maroc                            | Petroleum services   | Morocco         | 1 305.0         | 24%             | 81.7        |
| 109       | 90        | -19   | Nampak                                 | Wood and paper       | South Africa    | 1 299.2         | -15%            | 39.4        |
| 110       | 118       | +8    | COMILOG                                | Mining               | Gabon           | 1 289.9         | 11%             | 269.7       |
| 111       | 100       | -11   | Omnia Holdings                         | Chemicals            | South Africa    | 1 289.6         | -8%             | - 28.2      |
| 112       | 105       | -7    | Mohammed Enterprises Tanzania          | Retail               | Tanzania        | 1 286.8         | 0%              | ND          |
| 113       | 129       | +16   | Telecom Egypt                          | ICT/Telecoms         | Egypt           | 1 270.1         | 22%             | 194.7       |
| 114       | -         | -     | Vivo Energy Kenya                      | Petroleum services   | Kenya           | 1 270.0         | -5%             | ND          |
| 115       | -         | -     | Katanga Mining Ltd                     | Mining               | DRC             | 1 265.1         | ND              | - 806.2     |
| 116       | 113       | -3    | Ethio Telecom                          | ICT/Telecoms         | Ethiopia        | 1 261.8         | 4%              | ND          |
| 117       | 119       | +2    | The Arab Contractors                   | Construction         | Egypt           | 1 239.2         | 9%              | 30.9        |
| 118       | -         | -     | Vodafone Egypt                         | ICT/Telecoms         | Egypt           | 1 227.2         | ND              | 306.8       |
| 119       | 96        | -23   | Truworths International                | Retail               | South Africa    | 1 214.8         | -17%            | 184.5       |
| 120       | 101       | -19   | Tongaat-Hulett Group                   | Food & Drink         | South Africa    | 1 211.9         | -12%            | ND          |
| 121       | 132       | +11   | Ghana Oil Company                      | Petroleum services   | Ghana           | 1 174.2         | 14%             | 16.8        |
| 122       | 98        | -24   | Allied Electronics Corporation         | Electrical equipment | South Africa    | 1 171.7         | -18%            | 51.9        |
| 123       | 107       | -16   | Saham Finances                         | Insurance            | Morocco         | 1 147.1         | -10%            | 47.8        |
| 124       | 108       | -16   | Sun International                      | Tourism              | South Africa    | 1 136.8         | -10%            | 24.3        |
| 125       | 169       | +44   | Econet Wireless                        | ICT/Telecoms         | Zimbabwe        | 1 136.7         | 37%             | 106.4       |
| 126       | 109       | -17   | EOH Holdings                           | ICT/Telecoms         | South Africa    | 1 131.3         | -10%            | - 7.2       |
| 127       | 182       | +55   | Kenya Airways                          | Air transport        | Kenya           | 1 116.5         | 44%             | - 74.2      |
| 128       | 120       | -8    | Tsogo Sun Holdings                     | Tourism              | South Africa    | 1 104.6         | -2%             | 112.3       |
| 129       | -         | -     | Airtel Nigeria                         | ICT/Telecoms         | Nigeria         | 1 098.3         | 23%             | 312.9       |
| 130       | 123       | -7    | <i>Société Nationale de Raffinage*</i> | <i>Petroleum</i>     | <i>Cameroon</i> | <i>1 090.6</i>  | 33%             | <i>ND</i>   |
| 131       | 136       | +5    | Sonabhy                                | Petroleum services   | Burkina Faso    | 1 081.5         | 10%             | 49.4        |
| 132       | 116       | -16   | Marjane Holding                        | Retail               | Morocco         | 1 065.6         | -9%             | 44.1        |
| 133       | -         | -     | Hassan Allam Holding                   | Construction         | Egypt           | 1 060.0         | 61%             | 50.2        |
| 134       | 126       | -8    | Total Kenya                            | Petroleum services   | Kenya           | 1 053.2         | -2%             | 22.6        |
| 135       | 138       | +3    | IBL Group                              | Diversified          | Mauritius       | 1 044.7         | 8%              | 67.6        |
| 136       | 110       | -26   | Adcorp Holdings                        | Services             | South Africa    | 1 043.0         | -16%            | 18.1        |
| 137       | 354       | +217  | Kibali Gold Mine                       | Mining               | DRC             | 1 041.0         | ND              | 241.0       |
| 138       | 114       | -24   | RMI Holdings                           | Insurance            | South Africa    | 1 040.4         | -4%             | 295.4       |
| 139       | 130       | -9    | Mota-Engil Africa                      | Construction         | South Africa    | 1 035.6         | 0%              | 47.7        |
| 140       | 155       | +15   | Choppies Enterprises                   | Retail               | Botswana        | 986.2           | 12%             | - 40.6      |
| 141       | 112       | -29   | Hosken Consolidated Investments        | Diversified          | South Africa    | 985.7           | -18%            | 115.2       |
| 142       | 142       | 0     | Société Africaine de Raffinage         | Refining             | Senegal         | 979.0           | 3%              | - 2.5       |
| 143       | 145       | +2    | Renault Commerce Maroc                 | Auto industry        | Morocco         | 965.8           | 2%              | 39.9        |
| 144       | 124       | -20   | Algérie Télécom Mobilis                | ICT/Telecoms         | Algeria         | 965.7           | -12%            | 112.3       |
| 145       | 144       | -1    | Nigerian Breweries                     | Food & Drink         | Nigeria         | 959.6           | -5%             | 53.3        |
| 146       | 128       | -18   | Massbuild                              | Construction         | South Africa    | 952.3           | -9%             | ND          |
| 147       | 153       | +6    | Gold Fields Ghana                      | Mining               | Ghana           | 950.8           | 7%              | 30.9        |
| 148       | 219       | +71   | Jumia Group                            | Retail               | Nigeria         | 949.5           | 57%             | ND          |
| 149       | 157       | +8    | Label' Vie                             | Retail               | Morocco         | 944.5           | 8%              | 30.1        |
| 150       | 131       | -19   | Alviva Holdings                        | Electrical equipment | South Africa    | 943.5           | -9%             | 28.9        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





*'It's time our captains of business got serious about seizing the intra-African trade initiative.'*

**NOZIPHO SITHOLE** Transnet Nat. Ports Authority (#164)

## 151-200

| Rank 2018 | Rank 2017 | Diff. | Company                             | Sector               | Country       | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|-------------------------------------|----------------------|---------------|-----------------|-----------------|-------------|
| 151       | 140       | -11   | Holmarcom Group                     | Diversified          | Morocco       | 932.4           | -3%             | ND          |
| 152       | 156       | +4    | Kenya Power and Lighting            | Utilities            | Kenya         | 931.7           | 6%              | 18.7        |
| 153       | 139       | -14   | Rand Water                          | Utilities            | South Africa  | 931.4           | -4%             | 217.9       |
| 154       | 127       | -27   | Anglovaal Industries                | Food & Drink         | South Africa  | 930.3           | -13%            | 176.7       |
| 155       | 125       | -30   | Compagnie Ivoirienne d'Électricité  | Utilities            | Côte d'Ivoire | 927.4           | -15%            | 8.5         |
| 156       | 133       | -23   | Transnet Port Terminals             | Ports                | South Africa  | 905.9           | -9%             | ND          |
| 157       | 149       | -8    | Total Gabon                         | Petroleum services   | Gabon         | 904.9           | -1%             | 258.2       |
| 158       | 121       | -37   | PSG Group                           | Financial services   | South Africa  | 902.8           | -20%            | 162.1       |
| 159       | 134       | -25   | Astral Foods                        | Agribusiness         | South Africa  | 898.5           | -10%            | 99.3        |
| 160       | 161       | +1    | Taqa Morocco                        | Utilities            | Morocco       | 889.9           | 3%              | 109.7       |
| 161       | 212       | +51   | Axian Group                         | Diversified          | Madagascar    | 888.0           | 17%             | 35.0        |
| 162       | 162       | 0     | Wafa Assurance                      | Insurance            | Morocco       | 875.3           | 2%              | 63.6        |
| 163       | 151       | -12   | Pétrole du Maghreb                  | Petroleum services   | Morocco       | 875.1           | -3%             | 22.1        |
| 164       | 146       | -18   | Transnet National Ports Authority   | Ports                | South Africa  | 861.9           | -9%             | ND          |
| 165       | 168       | +3    | MTN Ghana                           | ICT/Telecoms         | Ghana         | 850.3           | 1%              | 155.4       |
| 166       | 171       | +5    | Lafarge Africa                      | Construction         | Nigeria       | 845.1           | 3%              | - 53.5      |
| 167       | 244       | +77   | Société des Mines de Loulo          | Mining               | Mali          | 844.0           | 55%             | 247.0       |
| 168       | 175       | +7    | Total Nigeria                       | Petroleum services   | Nigeria       | 843.9           | 7%              | 21.8        |
| 169       | 250       | +81   | Sonatel Orange (Ex-Sonatel Mobiles) | ICT/Telecoms         | Senegal       | 843.7           | -2%             | ND          |
| 170       | 167       | -3    | PetroSA                             | Petroleum services   | South Africa  | 840.4           | 0%              | - 144.2     |
| 171       | 137       | -34   | Orange Côte d'Ivoire                | ICT/Telecoms         | Côte d'Ivoire | 833.6           | -15%            | 39.3        |
| 172       | 160       | -12   | Lafargeholcim Maroc                 | Construction         | Morocco       | 824.7           | -4%             | 165.6       |
| 173       | 165       | -8    | Algérie Télécom                     | ICT/Telecoms         | Algeria       | 818.0           | -3%             | 159.4       |
| 174       | 143       | -31   | Groupe SIFCA                        | Agribusiness         | Côte d'Ivoire | 805.4           | -16%            | - 33.6      |
| 175       | 227       | +52   | OK Zimbabwe                         | Retail               | Zimbabwe      | 801.9           | 38%             | 49.2        |
| 176       | 154       | -22   | Cosumar                             | Agribusiness         | Morocco       | 801.7           | -10%            | 93.2        |
| 177       | 172       | -5    | Hulamin                             | Metals               | South Africa  | 798.5           | -4%             | - 53.5      |
| 178       | 186       | +8    | African Reinsurance Corporation     | Insurance            | Nigeria       | 797.4           | 7%              | 31.3        |
| 179       | 148       | -31   | Optimum Telecom Algeria             | ICT/Telecoms         | Algeria       | 793.5           | -13%            | ND          |
| 180       | 248       | +68   | Meikles Africa                      | Diversified          | Zimbabwe      | 791.6           | 48%             | 66.0        |
| 181       | 245       | +64   | Alexandria Mineral Oils Company     | Petroleum            | Egypt         | 788.5           | 46%             | 83.0        |
| 182       | 187       | +5    | Al Ezz Rolling Mills                | Metals               | Egypt         | 783.3           | 5%              | ND          |
| 183       | 163       | -20   | CMH Group                           | Auto industry        | South Africa  | 772.2           | -10%            | 15.8        |
| 184       | 183       | -1    | Condor Electronics*                 | Electrical equipment | Algeria       | 770.9           | -30%            | 37.0        |
| 185       | 159       | -26   | Growthpoint Properties              | Construction         | South Africa  | 759.9           | -12%            | 547.3       |
| 186       | -         | -     | Etisalat Misr                       | ICT/Telecoms         | Egypt         | 758.6           | ND              | -           |
| 187       | 184       | -3    | Lydec                               | Utilities            | Morocco       | 757.2           | -1%             | 21.3        |
| 188       | 194       | +6    | Orange Egypt                        | ICT/Telecoms         | Egypt         | 755.5           | 4%              | ND          |
| 189       | 215       | +26   | Munich Reinsurance Co. of Africa    | Insurance            | South Africa  | 749.9           | 20%             | ND          |
| 190       | 224       | +34   | Eastern Company                     | Agribusiness         | Egypt         | 748.1           | 26%             | 236.5       |
| 191       | 189       | -2    | Sanam Agro                          | Food & Drink         | Morocco       | 741.9           | -2%             | ND          |
| 192       | 206       | +14   | Total Côte d'Ivoire                 | Petroleum services   | Côte d'Ivoire | 739.6           | 12%             | 20.1        |
| 193       | 152       | -41   | Ooredoo Algeria                     | ICT/Telecoms         | Algeria       | 739.1           | -18%            | ND          |
| 194       | 173       | -21   | Mpact                               | Wood and paper       | South Africa  | 734.7           | -10%            | 22.6        |
| 195       | 256       | +61   | Qalaa Holdings                      | Financial services   | Egypt         | 734.6           | 24%             | 51.8        |
| 196       | 176       | -20   | PGI Holding – Amen Group            | Diversified          | Tunisia       | 733.7           | -11%            | 70.4        |
| 197       | 205       | +8    | Nestlé Nigeria                      | Food & Drink         | Nigeria       | 729.6           | 9%              | 117.8       |
| 198       | 150       | -48   | Transnet Rail Engineering           | Rail transport       | South Africa  | 728.6           | -20%            | ND          |
| 199       | 177       | -22   | Reunert                             | Electrical equipment | South Africa  | 726.4           | -8%             | 79.8        |
| 200       | 181       | -19   | Invicta Holdings                    | Auto industry        | South Africa  | 723.4           | -7%             | 15.9        |

MARCELA SOUKU

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





**Eterna Oil & Gas** (#209) recently acquired a 30m-litre facility for storing petroleum products in Apapa, Lagos.

## 201-250

| Rank 2018 | Rank 2017 | Diff. | Company                          | Sector             | Country       | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|----------------------------------|--------------------|---------------|-----------------|-----------------|-------------|
| 201       | 230       | +29   | Delta Corporation                | Food & Drink       | Zimbabwe      | 722.4           | -26%            | 143.2       |
| 202       | 180       | -22   | Poulina Group Holding            | Diversified        | Tunisia       | 722.0           | -7%             | 50.5        |
| 203       | 170       | -33   | Pretoria Portland Cement Company | Construction       | South Africa  | 720.6           | -13%            | 10.0        |
| 204       | 203       | -1    | East African Breweries Group     | Food & Drink       | Kenya         | 716.9           | 6%              | 70.8        |
| 205       | 185       | -20   | Metair Investments               | Auto industry      | South Africa  | 711.5           | -7%             | 48.4        |
| 206       | 179       | -27   | Cashbuild                        | Construction       | South Africa  | 706.7           | -10%            | 29.4        |
| 207       | 198       | -9    | Johannesburg Water Company       | Utilities          | South Africa  | 697.6           | 2%              | 93.9        |
| 208       | 191       | -17   | Mondi Group South Africa         | Wood and paper     | South Africa  | 697.2           | -6%             | ND          |
| 209       | 274       | +65   | Eterna Oil & Gas                 | Chemicals          | Nigeria       | 690.1           | 45%             | 2.8         |
| 210       | 207       | -3    | RMA                              | Insurance          | Morocco       | 685.3           | 3%              | 78.7        |
| 211       | 164       | -47   | Stefanutti Stocks Holdings       | Construction       | South Africa  | 685.2           | -18%            | - 7.7       |
| 212       | 210       | -2    | AGIL                             | Petroleum services | Tunisia       | 676.1           | 4%              | 6.8         |
| 213       | 209       | -4    | Orange Mali                      | ICT/Telecoms       | Mali          | 669.7           | 3%              | ND          |
| 214       | 201       | -13   | Liquid Telecom                   | ICT/Telecoms       | Mauritius     | 668.9           | -2%             | - 116.1     |
| 215       | 195       | -20   | Tarkwa Mines                     | Mining             | Ghana         | 666.9           | -6%             | 40.1        |
| 216       | 235       | +19   | Total Sénégal                    | Petroleum services | Senegal       | 665.0           | 17%             | 11.0        |
| 217       | 229       | +12   | Volta River Authority            | Utilities          | Ghana         | 659.0           | 0%              | ND          |
| 218       | 221       | +3    | Orange Maroc                     | ICT/Telecoms       | Morocco       | 643.3           | 2%              | ND          |
| 219       | 192       | -27   | African Rainbow Minerals         | Mining             | South Africa  | 641.3           | -12%            | 333.8       |
| 220       | 225       | +5    | Ciel Group                       | Diversified        | Mauritius     | 640.9           | 10%             | 30.9        |
| 221       | 286       | +65   | Seplat Petroleum Development Co. | Petroleum          | Nigeria       | 625.8           | 38%             | 122.9       |
| 222       | 216       | -6    | Tanzania Electric Supply Company | Utilities          | Tanzania      | 617.5           | -1%             | - 9.5       |
| 223       | 178       | -45   | Société Nationale d'Électricité  | Utilities          | Senegal       | 616.9           | -1%             | ND          |
| 224       | 202       | -22   | RMB Holdings                     | Financial services | South Africa  | 610.0           | -10%            | 592.6       |
| 225       | 271       | +46   | Talaat Moustafa Group            | Construction       | Egypt         | 609.5           | 27%             | 95.1        |
| 226       | 232       | +6    | Vivo Energy Côte d'Ivoire        | Petroleum          | Côte d'Ivoire | 605.0           | 6%              | 9.4         |
| 227       | 217       | -10   | SA des Brasseries du Cameroun    | Food & Drink       | Cameroon      | 601.5           | -2%             | 44.7        |
| 228       | 199       | -29   | Raubex                           | Construction       | South Africa  | 589.8           | -15%            | 8.1         |
| 229       | 223       | -6    | East African Breweries Kenya     | Food & Drink       | Kenya         | 588.3           | -1%             | 70.8        |
| 230       | 262       | +32   | Zimplats Holdings                | Mining             | Zimbabwe      | 582.5           | 14%             | 2.6         |
| 231       | 263       | +32   | SNIM                             | Mining             | Mauritania    | 581.2           | 5%              | - 31.0      |
| 232       | 231       | -1    | Oriental Weavers Company         | Textile            | Egypt         | 580.4           | 1%              | 41.7        |
| 233       | 278       | +45   | Afriquia Gaz                     | Gas                | Morocco       | 578.3           | 23%             | 68.6        |
| 234       | 174       | -60   | Clover Holdings                  | Food & Drink       | South Africa  | 575.5           | -29%            | - 2.6       |
| 235       | 218       | -17   | Air Mauritius                    | Air transport      | Mauritius     | 570.8           | -7%             | - 24.8      |
| 236       | 242       | +6    | Essakane Gold Mine               | Mining             | Burkina Faso  | 564.1           | 3%              | ND          |
| 237       | 214       | -23   | Redefine Properties              | Construction       | South Africa  | 563.1           | -10%            | 458.1       |
| 238       | 193       | -45   | Kloof Gold Mining Company        | Mining             | South Africa  | 563.0           | -21%            | 20.4        |
| 239       | 211       | -28   | Nigerian Bottling Company        | Food & Drink       | Nigeria       | 555.5           | -13%            | ND          |
| 240       | 288       | +48   | CMDT                             | Agribusiness       | Mali          | 551.1           | 23%             | 21.2        |
| 241       | 267       | +26   | ETAP                             | Petroleum services | Tunisia       | 546.9           | 11%             | 98.8        |
| 242       | 324       | +82   | Al Ezz Flat Steel                | Metals             | Egypt         | 546.0           | 44%             | ND          |
| 243       | 260       | +17   | Saham Assurance Maroc            | Insurance          | Morocco       | 546.1           | 6%              | 34.4        |
| 244       | 226       | -18   | Assore                           | Mining             | South Africa  | 540.3           | -7%             | 358.3       |
| 245       | 257       | +12   | Ascendis Health                  | Pharmaceuticals    | South Africa  | 535.6           | 3%              | 20.9        |
| 246       | 241       | -5    | Oceana Group                     | Agribusiness       | South Africa  | 535.3           | -3%             | 61.1        |
| 247       | 317       | +70   | Julius Berger Nigeria            | Construction       | Nigeria       | 533.3           | 37%             | 16.7        |
| 248       | 253       | +5    | Biopharm                         | Pharmaceuticals    | Algeria       | 531.7           | 1%              | 63.5        |
| 249       | 200       | -49   | Zeder Investments                | Agribusiness       | South Africa  | 529.0           | -23%            | 16.8        |
| 250       | 247       | -3    | Holding Al Omrane                | Construction       | Morocco       | 525.0           | -2%             | 44.1        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data



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The company **11 Plc (Ex Mobil Oil Nigeria)** (#286) recorded a 16% increase in revenue from 2018 to 2019.

## 251-300

| Rank 2018 | Rank 2017 | Diff. | Company                            | Sector               | Country       | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|------------------------------------|----------------------|---------------|-----------------|-----------------|-------------|
| 251       | 233       | -18   | Northam Platinum                   | Mining               | South Africa  | 522.8           | -6%             | - 48.8      |
| 252       | 236       | -16   | Société Tunisienne de l'Air        | Air transport        | Tunisia       | 521.0           | 1%              | ND          |
| 253       | 243       | -10   | Bell Equipment                     | Auto industry        | South Africa  | 521.6           | -6%             | 19.1        |
| 254       | 249       | -5    | Eneo Cameroon                      | Utilities            | Cameroon      | 519.7           | -1%             | 19.2        |
| 255       | 259       | +4    | CTP Holdings*                      | Media                | South Africa  | 517.4           | 11%             | 36.7        |
| 256       | 251       | -5    | CDG Développement                  | Services             | Morocco       | 512.3           | -4%             | ND          |
| 257       | 239       | -18   | Metropolitan Life                  | Insurance            | South Africa  | 510.1           | -8%             | ND          |
| 258       | 158       | -100  | Group Five Holdings                | Construction         | South Africa  | 508.7           | -37%            | - 94.5      |
| 259       | 246       | -13   | Auto Hall                          | Auto industry        | Morocco       | 503.1           | -7%             | 15.6        |
| 260       | 277       | +17   | Zalar Holding                      | Agribusiness         | Morocco       | 498.3           | 6%              | - 7.7       |
| 261       | 197       | -64   | Centrale Danone                    | Food & Drink         | Morocco       | 497.7           | -28%            | - 56.3      |
| 262       | 234       | -28   | Famous Brands                      | Tourism              | South Africa  | 497.0           | -12%            | - 29.3      |
| 263       | 220       | -43   | MTN Côte d'Ivoire                  | ICT/Telecoms         | Côte d'Ivoire | 495.5           | -17%            | ND          |
| 264       | 238       | -26   | Airports Company of South Africa   | Air transport        | South Africa  | 493.3           | -10%            | 68.0        |
| 265       | 303       | +38   | Total Petroleum Ghana              | Petroleum services   | Ghana         | 490.4           | 20%             | 8.9         |
| 266       | 228       | -38   | Innscor Africa                     | Food & Drink         | Zimbabwe      | 489.9           | -16%            | 80.5        |
| 267       | 272       | +5    | Sefalana Holding Company           | Food & Drink         | Botswana      | 484.9           | 1%              | 18.2        |
| 268       | 293       | +25   | Salam Gaz                          | Petroleum services   | Morocco       | 481.0           | 10%             | ND          |
| 269       | 312       | +43   | Misr Insurance Company             | Insurance            | Egypt         | 477.3           | 20%             | 54.8        |
| 270       | 289       | +19   | Vodacom DRC                        | ICT/Telecoms         | DRC           | 473.3           | 11%             | - 87.0      |
| 271       | 265       | -6    | Tradex                             | Petroleum services   | Cameroon      | 472.8           | -7%             | 15.6        |
| 272       | 281       | +9    | Pioneers Holding                   | Financial services   | Egypt         | 472.0           | 2%              | ND          |
| 273       | 280       | +7    | SIIC Egypt*                        | Agribusiness         | Egypt         | 466.9           | 23%             | 17.2        |
| 274       | 314       | +40   | ONCF                               | Rail transport       | Morocco       | 465.2           | -6%             | - 120.1     |
| 275       | 319       | +44   | Tanzania Breweries                 | Food & Drink         | Tanzania      | 463.9           | 20%             | 57.2        |
| 276       | 343       | +67   | Egypt Kuwait Holding Company       | Diversified          | Egypt         | 462.0           | 32%             | 125.2       |
| 277       | 295       | +18   | Eclosia Group                      | Food & Drink         | Mauritius     | 461.4           | 2%              | 23.3        |
| 278       | -         | -     | Aenergy                            | Petroleum            | Angola        | 456.8           | 4%              | 28.9        |
| 279       | 279       | 0     | Namibian Power Corporation         | Utilities            | Namibia       | 456.6           | -5%             | 84.9        |
| 280       | 240       | -40   | Groupe Managem                     | Mining               | Morocco       | 455.5           | -18%            | 38.7        |
| 281       | 284       | +3    | Electricidade de Moçambique*       | Utilities            | Mozambique    | 454.3           | 12%             | - 47.5      |
| 282       | 321       | +39   | Maurel & Prom Gabon                | Petroleum            | Gabon         | 454.0           | 18%             | ND          |
| 283       | 258       | -25   | Kaap Agri Ltd                      | Agribusiness         | South Africa  | 453.4           | -12%            | 17.2        |
| 284       | 270       | -14   | Adcock Ingram Holdings             | Pharmaceuticals      | South Africa  | 452.8           | -6%             | 44.6        |
| 285       | 268       | -17   | Comair                             | Air transport        | South Africa  | 452.5           | -8%             | 22.5        |
| 286       | 350       | +64   | 11 Plc (Ex Mobil Oil Nigeria)      | Petroleum            | Nigeria       | 451.0           | 31%             | 25.6        |
| 287       | 276       | -11   | Hollard Insurance                  | Insurance            | South Africa  | 449.8           | -5%             | 47.5        |
| 288       | 264       | -24   | Pharmacie Centrale de Tunisie      | Healthcare           | Tunisia       | 445.2           | -13%            | ND          |
| 289       | 302       | +13   | Mutuelle Taamine Chaabi            | Insurance            | Morocco       | 444.7           | 7%              | ND          |
| 290       | 252       | -38   | South African Broadcasting Corp.   | Media                | South Africa  | 443.9           | -16%            | - 33.4      |
| 291       | 291       | 0     | Axa Assurance Maroc                | Insurance            | Morocco       | 442.4           | 1%              | 35.1        |
| 292       | 273       | -19   | Hudaco Industries                  | Auto industry        | South Africa  | 441.8           | -7%             | 27.7        |
| 293       | 323       | +30   | Raya Holding                       | Electrical equipment | Egypt         | 441.2           | 16%             | 5.0         |
| 294       | 283       | -11   | Vodacom Tanzania                   | ICT/Telecoms         | Tanzania      | 440.2           | -4%             | 38.8        |
| 295       | 285       | -10   | Prosuma Group                      | Retail               | Côte d'Ivoire | 439.0           | -3%             | 2.2         |
| 296       | -         | -     | Caxton & CTP Publishers & Printers | Media                | South Africa  | 438.5           | -15%            | 28.1        |
| 297       | 269       | -28   | Lesieur Cristal                    | Food & Drink         | Morocco       | 435.3           | -10%            | 12.3        |
| 298       | 362       | +64   | SGTM                               | Construction         | Morocco       | 435.0           | 36%             | ND          |
| 299       | -         | -     | Compagnie des Bauxites de Guinée   | Mining               | Guinea        | 432.9           | 5%              | 48.6        |
| 300       | 297       | -3    | Waco International                 | Construction         | South Africa  | 426.5           | 0%              | 17.9        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





'The shift to local sourcing is the right thing.  
The impact on communities is positive.'

**BAKER MAGUNDA** Guinness Nigeria (#322)

## 301-350

| Rank 2018 | Rank 2017 | Diff. | Company                         | Sector             | Country       | Turnover (2018) | Turnover change | Net profits | GUINNESS NIGERIA |
|-----------|-----------|-------|---------------------------------|--------------------|---------------|-----------------|-----------------|-------------|------------------|
| 301       | 309       | +8    | Office National des Aéroports   | Air transport      | Morocco       | 424.9           | 6%              | 58.3        |                  |
| 302       | 287       | -15   | Lewis Group                     | Retail             | South Africa  | 424.9           | -5%             | 21.4        |                  |
| 303       | 213       | -90   | Groupe Addoha Douja Promotion   | Construction       | Morocco       | 424.8           | -33%            | 42.8        |                  |
| 304       | 304       | 0     | North Mara Gold Mine            | Mining             | Tanzania      | 423.0           | 4%              | 147.0       |                  |
| 305       | 355       | +50   | AFC                             | Chemicals          | Egypt         | 421.3           | 25%             | 135.0       |                  |
| 306       | 318       | +12   | Copperbelt Energy Corporation   | Utilities          | Zambia        | 421.2           | 8%              | 55.9        |                  |
| 307       | 296       | -11   | Ciments du Maroc                | Construction       | Morocco       | 420.3           | -3%             | 107.0       |                  |
| 308       | 379       | +71   | Italtile                        | Construction       | South Africa  | 419.8           | 42%             | 74.8        |                  |
| 309       | 282       | -27   | African Oxygen                  | Chemicals          | South Africa  | 418.6           | -9%             | 31.6        |                  |
| 310       | 196       | -114  | Sofitex                         | Agribusiness       | Burkina Faso  | 417.6           | ND              | ND          |                  |
| 311       | 335       | +24   | Suez Cement Company             | Construction       | Egypt         | 414.4           | 14%             | 6.8         |                  |
| 312       | 332       | +20   | Palm Hills Development Company  | Construction       | Egypt         | 414.0           | 12%             | 50.6        |                  |
| 313       | 237       | -76   | Dangote Sugar Refinery          | Agribusiness       | Nigeria       | 412.0           | -27%            | 60.2        |                  |
| 314       | 308       | -6    | Société Gabonaise de Raffinage  | Petroleum services | Gabon         | 406.5           | 1%              | ND          |                  |
| 315       | 310       | -5    | Umeme                           | Utilities          | Uganda        | 403.2           | 1%              | 35.9        |                  |
| 316       | 305       | -11   | Ooredoo Tunisia                 | ICT/Telecoms       | Tunisia       | 403.1           | -5%             | ND          |                  |
| 317       | 313       | -4    | Société Nationale de Sidérurgie | Metals             | Morocco       | 400.4           | 1%              | 1.3         |                  |
| 318       | 353       | +35   | Juhayna Food Industries         | Food & Drink       | Egypt         | 397.3           | 17%             | 22.8        |                  |
| 319       | -         | -     | Société Africaine de Cacao      | Food & Drink       | Côte d'Ivoire | 395.5           | -20%            | 2.5         |                  |
| 320       | 298       | -22   | Mustek                          | Media              | South Africa  | 392.6           | -7%             | 5.6         |                  |
| 321       | -         | -     | IHS Towers                      | ICT/Telecoms       | Mauritius     | 392.5           | -21%            | - 107.6     |                  |
| 322       | 346       | +24   | Guinness Nigeria                | Food & Drink       | Nigeria       | 391.8           | 13%             | 27.2        |                  |
| 323       | 299       | -24   | Tunisie Telecom                 | ICT/Telecoms       | Tunisia       | 390.4           | -8%             | ND          |                  |
| 324       | 275       | -49   | Merafe Resources                | Mining             | South Africa  | 388.1           | -18%            | 47.3        |                  |
| 325       | 320       | -5    | Kenya Ports Authority*          | Ports              | Kenya         | 385.9           | 4%              | 91.3        |                  |
| 326       | -         | -     | Astree Assurances               | Insurance          | Tunisia       | 382.2           | 20%             | 5.4         |                  |
| 327       | 306       | -21   | SFBT                            | Food & Drink       | Tunisia       | 378.8           | -7%             | ND          |                  |
| 328       | 337       | +9    | South African Post Office       | Services           | South Africa  | 376.4           | 3%              | - 76.1      |                  |
| 329       | 300       | -29   | MTN Uganda                      | ICT/Telecoms       | Uganda        | 375.4           | -10%            | ND          |                  |
| 330       | -         | -     | C.N. de Prévoyance Sociale      | Services           | Cameroon      | 369.9           | 1%              | 129.1       |                  |
| 331       | 338       | +7    | Forte Oil                       | Petroleum          | Nigeria       | 369.1           | 56%             | 33.6        |                  |
| 332       | 336       | +4    | Transnet Pipelines              | Petroleum          | South Africa  | 364.3           | 1%              | ND          |                  |
| 333       | 376       | +43   | Vivo Energy Mauritius           | Petroleum services | Mauritius     | 364.3           | 21%             | 8.8         |                  |
| 334       | -         | -     | ASECNA                          | Air transport      | Senegal       | 364.1           | 0%              | 50.3        |                  |
| 335       | 311       | -24   | Espitalier Noël Group           | Diversified        | Mauritius     | 363.7           | 9%              | 32.5        |                  |
| 336       | 347       | +11   | Bamburi Cement                  | Construction       | Kenya         | 363.7           | 5%              | 6.0         |                  |
| 337       | 333       | -4    | BSI Steel                       | Metals             | South Africa  | 363.4           | 111%            | ND          |                  |
| 338       | 334       | -4    | NSIA Participations*            | Diversified        | Côte d'Ivoire | 363.3           | 11%             | 10.4        |                  |
| 339       | 290       | -49   | Aveng Steel                     | Metals             | South Africa  | 361.4           | -19%            | ND          |                  |
| 340       | 344       | +4    | Tigo Tanzania                   | ICT/Telecoms       | Tanzania      | 356.0           | 2%              | ND          |                  |
| 341       | 348       | +7    | Maghrébail                      | Financial services | Morocco       | 355.7           | 3%              | 10.5        |                  |
| 342       | 208       | -134  | Driefontein Mine                | Mining             | South Africa  | 353.8           | -46%            | - 243.8     |                  |
| 343       | 326       | -17   | Rhodes Food Group Holdings      | Food & Drink       | South Africa  | 353.7           | -5%             | 10.7        |                  |
| 344       | 340       | -4    | Solibra                         | Food & Drink       | Côte d'Ivoire | 352.9           | 0%              | 2.3         |                  |
| 345       | 351       | +6    | SEEG                            | Utilities          | Gabon         | 348.0           | 1%              | ND          |                  |
| 346       | 255       | -91   | Produce Buying Company          | Agribusiness       | Ghana         | 346.5           | -34%            | - 5.6       |                  |
| 347       | 352       | +5    | Puma Energy Zambia              | Petroleum          | Zambia        | 346.3           | 1%              | 9.6         |                  |
| 348       | 325       | -23   | Entreprise Nationale de Forage  | Petroleum          | Algeria       | 344.2           | 2%              | ND          |                  |
| 349       | 294       | -55   | MTN Cameroon                    | ICT/Telecoms       | Cameroon      | 343.3           | -21%            | ND          |                  |
| 350       | 361       | +11   | Alliances Dév. Immobilier       | Construction       | Morocco       | 342.9           | 7%              | 33.8        |                  |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





**Conoil** (#355) produced 14,000 barrels of crude oil per day (bpd) in May 2019, a 30% drop from its 20,000bpd of April 2018.

## 351-400

| Rank 2018 | Rank 2017 | Diff. | Company                             | Sector             | Country       | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|-------------------------------------|--------------------|---------------|-----------------|-----------------|-------------|
| 351       | 375       | +24   | Vodacom Mozambique                  | ICT/Telecoms       | Mozambique    | 340.7           | 13%             | ND          |
| 352       | -         | -     | Orange Cameroon                     | ICT/Telecoms       | Cameroon      | 340.0           | 0%              | ND          |
| 353       | 329       | -24   | Sania Compagnie                     | Agribusiness       | Côte d'Ivoire | 339.6           | -8%             | - 1.1       |
| 354       | 369       | +15   | Airtel Uganda                       | ICT/Telecoms       | Uganda        | 338.3           | 6%              | 91.9        |
| 355       | 364       | +9    | Conoil                              | Petroleum services | Nigeria       | 334.9           | 5%              | 4.9         |
| 356       | 307       | -49   | Bissa Gold                          | Mining             | Burkina Faso  | 330.8           | -18%            | ND          |
| 357       | -         | -     | International Breweries Plc         | Food & Drink       | Nigeria       | 330.5           | ND              | - 10.6      |
| 358       | 316       | -42   | Maghreb Steel                       | Metals             | Morocco       | 328.5           | -16%            | - 31.9      |
| 359       | 188       | -171  | Orange Burkina Faso                 | ICT/Telecoms       | Burkina Faso  | 286.0           | 16%             | ND          |
| 360       | 442       | +82   | TAQA Arabia                         | Petroleum          | Egypt         | 327.1           | 41%             | 15.1        |
| 361       | 367       | +6    | Autoroutes du Maroc                 | Construction       | Morocco       | 326.5           | 3%              | 10.9        |
| 362       | 356       | -6    | Aveng Mining                        | Mining             | South Africa  | 326.3           | -3%             | - 15.4      |
| 363       | 261       | -102  | Sudatel Telecom Group               | ICT/Telecoms       | Sudan         | 325.7           | -37%            | 49.1        |
| 364       | 392       | +28   | Sidi Kerir Petrochemicals Co.       | Petroleum          | Egypt         | 322.4           | 15%             | 72.4        |
| 365       | 254       | -111  | IPS West Africa                     | Diversified        | Côte d'Ivoire | 321.3           | 0%              | 6.8         |
| 366       | 322       | -44   | Société Magasin Général             | Retail             | Tunisia       | 318.6           | -17%            | 7.6         |
| 367       | 315       | -52   | Beatrix Mine                        | Mining             | South Africa  | 318.5           | -19%            | - 12.8      |
| 368       | -         | -     | Sonabel                             | Utilities          | Burkina Faso  | 317.8           | 4%              | 15.8        |
| 369       | 371       | +2    | ENL Land Ltd                        | Agribusiness       | Mauritius     | 317.8           | 9%              | 39.0        |
| 370       | 372       | +2    | Energie du Mali                     | Utilities          | Mali          | 317.2           | 3%              | - 114.9     |
| 371       | 301       | -70   | Zain Sudan                          | ICT/Telecoms       | Sudan         | 316.0           | -25%            | 45.0        |
| 372       | 342       | -30   | Ceca-Gadis                          | Retail             | Gabon         | 315.5           | -10%            | - 2.3       |
| 373       | 374       | +1    | Ciel Textile                        | Textile            | Mauritius     | 310.3           | 2%              | 9.0         |
| 374       | 349       | -25   | Dangote Flour Mills                 | Agribusiness       | Nigeria       | 307.8           | -11%            | - 3.2       |
| 375       | 378       | +3    | Tasiast Mauritanie                  | Mining             | Mauritania    | 307.8           | 3%              | ND          |
| 376       | 359       | -17   | ADvTECH Group                       | Services           | South Africa  | 303.9           | -4%             | 28.2        |
| 377       | 384       | +7    | ENGTP                               | Petroleum          | Algeria       | 303.2           | 6%              | 31.1        |
| 378       | 383       | +5    | Ciments de l'Atlas                  | Construction       | Morocco       | 301.0           | 4%              | 61.2        |
| 379       | 345       | -34   | Novus Holdings                      | Wood and paper     | South Africa  | 299.9           | -14%            | 11.8        |
| 380       | 382       | +2    | National Foods Holdings             | Food & Drink       | Zimbabwe      | 297.9           | 3%              | 17.2        |
| 381       | 447       | +66   | Seven-Up Bottling Company*          | Food & Drink       | Nigeria       | 297.6           | -15%            | ND          |
| 382       | 406       | +24   | SEMAFO Burkina Faso                 | Mining             | Burkina Faso  | 296.7           | 15%             | - 6.9       |
| 383       | 380       | -3    | Orange Guinée                       | ICT/Telecoms       | Guinea        | 295.9           | 0%              | ND          |
| 384       | 377       | -7    | Delta Holding                       | Diversified        | Morocco       | 295.1           | -2%             | 22.6        |
| 385       | -         | -     | Orange DRC                          | ICT/Telecoms       | DRC           | 295.1           | 7%              | ND          |
| 386       | 395       | +9    | Cervejas de Moçambique              | Food & Drink       | Mozambique    | 293.9           | 5%              | 34.3        |
| 387       | 357       | -30   | Santova Logistics                   | Transport          | South Africa  | 292.2           | -12%            | 4.2         |
| 388       | 400       | +12   | Press Corporation                   | Diversified        | Malawi        | 291.6           | 7%              | 49.9        |
| 389       | 328       | -61   | Société des Mines de Tongon         | Mining             | Côte d'Ivoire | 291.0           | -21%            | 31.0        |
| 390       | 393       | +3    | Leal Group                          | Diversified        | Mauritius     | 289.5           | 3%              | 7.1         |
| 391       | 403       | +12   | Marsa Maroc                         | Ports              | Morocco       | 287.3           | 6%              | 56.9        |
| 392       | 399       | +7    | New Mauritius Hotels                | Tourism            | Mauritius     | 286.5           | 4%              | 3.8         |
| 393       | 365       | -28   | Chirano Gold Mine                   | Mining             | Ghana         | 286.0           | -10%            | ND          |
| 394       | 387       | -7    | Kenya Electricity Generating Co.    | Utilities          | Kenya         | 285.8           | 3%              | 77.0        |
| 395       | 455       | +60   | Transnational Corp. of Nigeria      | Diversified        | Nigeria       | 285.4           | 29%             | 29.2        |
| 396       | 360       | -36   | Quantum Foods Holdings              | Food & Drink       | South Africa  | 285.4           | -13%            | 25.1        |
| 397       | 390       | -7    | Motraco*                            | Utilities          | Mozambique    | 281.7           | ND              | 7.3         |
| 398       | 358       | -40   | Alexander Forbes                    | Financial services | South Africa  | 280.9           | -13             | 26.9        |
| 399       | 391       | -8    | Distribution & Warehousing Network* | Retail             | South Africa  | 280.9           | -10%            | - 34.4      |
| 400       | 363       | -37   | Délice Holding                      | Food & Drink       | Tunisia       | 280.6           | -12%            | 10.3        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





**Kenya Pipeline Company** (#410) recorded an 8% increase in pre-tax profit (KSh12.4bn) for the financial year ending 30 June 2018.

## 401-450

| Rank 2018 | Rank 2017 | Diff. | Company                           | Sector                  | Country             | Turnover (2018) | Turnover change | Net profits |
|-----------|-----------|-------|-----------------------------------|-------------------------|---------------------|-----------------|-----------------|-------------|
| 401       | 413       | +12   | Zambeef                           | Food & Drink            | Zambia              | 280.3           | 10%             | 1.1         |
| 402       | 388       | -14   | One Tech Holding                  | Electrical equipment    | Tunisia             | 278.6           | -1%             | 21.8        |
| 403       | 397       | -6    | <i>Princes Tuna*</i>              | <i>Agribusiness</i>     | <i>Mauritius</i>    | 277.9           | 13%             | - 2.3       |
| 404       | 370       | -34   | Onatel                            | ICT/Telecoms            | Burkina Faso        | 276.7           | -7%             | 55.4        |
| 405       | 421       | +16   | Axia Corporation                  | Retail                  | Zimbabwe            | 275.9           | 11%             | 16.9        |
| 406       | 404       | -2    | Airtel DRC                        | ICT/Telecoms            | DRC                 | 274.7           | 26%             | 18.2        |
| 407       | -         | -     | Wescoal                           | Mining                  | South Africa        | 274.5           | -4%             | 6.1         |
| 408       | 368       | -40   | Golden Star Resources             | Mining                  | Ghana               | 273.0           | -13%            | - 24.1      |
| 409       | 401       | -8    | <i>Peermont Global*</i>           | <i>Tourism</i>          | <i>South Africa</i> | 272.0           | 5%              | ND          |
| 410       | 429       | +19   | Kenya Pipeline Company            | Petroleum               | Kenya               | 270.4           | 12%             | 83.6        |
| 411       | 408       | -3    | Groupe des Boissons du Maroc      | Food & Drink            | Morocco             | 270.3           | 5%              | 33.9        |
| 412       | 411       | -1    | CCR                               | Insurance               | Algeria             | 268.5           | 5%              | 25.9        |
| 413       | -         | -     | BGI Ethiopia                      | Food & Drink            | Ethiopia            | 267.8           | ND              | ND          |
| 414       | 366       | -48   | Coronation Fund Managers          | Financial services      | South Africa        | 266.4           | -16%            | 101.8       |
| 415       | 419       | +4    | Rogers & Co                       | Diversified             | Mauritius           | 265.4           | 6%              | 31.8        |
| 416       | 435       | +19   | Arise (Ex-Gabon SEZ)              | Transport               | Gabon               | 264.5           | 11%             | 91.4        |
| 417       | 420       | +3    | Unilever Nigeria                  | Chemicals               | Nigeria             | 261.0           | 5%              | 28.9        |
| 418       | 402       | -16   | Jubilee Holdings                  | Insurance               | Kenya               | 260.7           | -4%             | 40.8        |
| 419       | 480       | +61   | ELB Group                         | Construction            | South Africa        | 257.1           | 28%             | 7.7         |
| 420       | 394       | -26   | MTN Benin                         | ICT/Telecoms            | Benin               | 256.9           | -8%             | ND          |
| 421       | 427       | +6    | Cairo Poultry                     | Food & Drink            | Egypt               | 255.2           | 5%              | 8.2         |
| 422       | 428       | +6    | Atlanta Assurances                | Insurance               | Morocco             | 254.4           | 5%              | 23.1        |
| 423       | 415       | -8    | Avbob Industries                  | Insurance               | South Africa        | 251.6           | 0%              | 0.5         |
| 424       | 418       | -6    | Aveng Grinaker-LTA                | Construction            | South Africa        | 251.3           | 1%              | ND          |
| 425       | 385       | -40   | Royal Bafokeng Platinum           | Mining                  | South Africa        | 251.1           | -11%            | 17.7        |
| 426       | 386       | -40   | Compagnie Générale Immobilière    | Construction            | Morocco             | 250.3           | -11%            | - 5.7       |
| 427       | 417       | -10   | <i>Giplait*</i>                   | <i>Food &amp; Drink</i> | <i>Algeria</i>      | 250.0           | ND              | ND          |
| 428       | 410       | -18   | TGCC                              | Construction            | Morocco             | 249.5           | -3%             | 23.6        |
| 429       | 407       | -22   | Bryte Insurance Company           | Insurance               | South Africa        | 249.2           | -4%             | ND          |
| 430       | 398       | -32   | Nestlé Côte d'Ivoire              | Food & Drink            | Côte d'Ivoire       | 248.8           | -10%            | 1.4         |
| 431       | 381       | -50   | MRS Oil                           | Petroleum services      | Nigeria             | 245.4           | -17%            | - 3.5       |
| 432       | 425       | -7    | <i>Orange Tunisie*</i>            | <i>ICT/Telecoms</i>     | <i>Tunisia</i>      | 244.3           | ND              | ND          |
| 433       | 451       | +18   | Britam Holdings                   | Insurance               | Kenya               | 243.9           | 9%              | - 27.9      |
| 434       | 490       | +56   | Sodecoton                         | Agribusiness            | Cameroon            | 243.6           | 24%             | ND          |
| 435       | 478       | +43   | IndianOil Mauritius               | Petroleum               | Mauritius           | 243.0           | 20%             | 6.1         |
| 436       | 445       | +9    | Leadway Assurance Company         | Insurance               | Nigeria             | 241.2           | 4%              | 16.5        |
| 437       | -         | -     | Sobraga                           | Food & Drink            | Gabon               | 239.6           | -3%             | ND          |
| 438       | 405       | -33   | Société Minière de Dinguiraye     | Mining                  | Guinea              | 239.0           | -9%             | ND          |
| 439       | 422       | -17   | Grindrod                          | Sea transport           | South Africa        | 237.0           | -4%             | 202.2       |
| 440       | 430       | -10   | Al Arafa Holding                  | Textile                 | Egypt               | 236.6           | -1%             | 3.1         |
| 441       | 437       | -4    | <i>Engen DRC*</i>                 | <i>Petroleum</i>        | <i>DRC</i>          | 236.1           | -10%            | 6.9         |
| 442       | 462       | +20   | Guelb Moghrein Copper-Gold Mine   | Mining                  | Mauritania          | 235.0           | 8%              | ND          |
| 443       | 373       | -70   | Bidvest Namibia                   | Diversified             | Namibia             | 234.1           | -23%            | - 2.1       |
| 444       | 446       | +2    | Société Nationale d'Assurances    | Insurance               | Algeria             | 234.0           | 2%              | 24.3        |
| 445       | 450       | +5    | Brimstone Investment Corporation  | Financial services      | South Africa        | 233.8           | 4%              | 4.9         |
| 446       | -         | -     | Société Multinationale de Bitumes | Construction            | Côte d'Ivoire       | 233.5           | 41%             | 13.7        |
| 447       | 470       | +23   | Eqdom                             | Financial services      | Morocco             | 232.7           | 10%             | 13.7        |
| 448       | 443       | -5    | <i>SCAMA*</i>                     | <i>Auto industry</i>    | <i>Morocco</i>      | 231.9           | -2%             | 2.3         |
| 449       | 409       | -40   | Alteo                             | Agribusiness            | Mauritius           | 231.8           | -10%            | 19.9        |
| 450       | 454       | +4    | Engen Botswana                    | Petroleum               | Botswana            | 231.6           | 5%              | 11.6        |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data





'I see direct delivery of insurance products becoming the trend going forward.'

**BENSON WAIREGI** Britam Kenya (#488)

## 451-500

| Rank 2018 | Rank 2017 | Diff. | Company                           | Sector               | Country          | Turnover (2018) | Turnover change | Net profits | LINKEDIN |
|-----------|-----------|-------|-----------------------------------|----------------------|------------------|-----------------|-----------------|-------------|----------|
| 451       | 433       | -18   | RADEEMA                           | Utilities            | Morocco          | 230.5           | -3%             | 16.0        |          |
| 452       | -         | -     | Abosso Goldfieds – Damang Mine    | Mining               | Ghana            | 229.0           | 27%             | ND          |          |
| 453       | 439       | -14   | Groupe Intelcia                   | Services             | Morocco          | 228.9           | -2%             | ND          |          |
| 454       | 396       | -58   | SAPH                              | Agribusiness         | Côte d'Ivoire    | 225.9           | -19%            | - 1.5       |          |
| 455       | -         | -     | Misr Life Insurance Company       | Insurance            | Egypt            | 223.8           | 20%             | 65.4        |          |
| 456       | -         | -     | NCMP                              | Food & Drink         | Egypt            | 222.0           | 168%            | 4.0         |          |
| 457       | 460       | +3    | Airtel Zambia                     | ICT/Telecoms         | Zambia           | 216.5           | -8%             | 35.9        |          |
| 458       | 424       | -34   | UAC of Nigeria                    | Diversified          | Nigeria          | 215.8           | -12%            | - 26.0      |          |
| 459       | 412       | -47   | Hyprop Investments                | Construction         | South Africa     | 215.6           | -16%            | 174.5       |          |
| 460       | 464       | +4    | Airtel Tanzania                   | ICT/Telecoms         | Tanzania         | 214.8           | -3%             | - 15.8      |          |
| 461       | 444       | -17   | Botswana Insurance Holdings       | Insurance            | Botswana         | 214.7           | -7%             | 33.9        |          |
| 462       | 491       | +29   | Old Mutual Zimbabwe               | Insurance            | Zimbabwe         | 214.1           | 10%             | 300.7       |          |
| 463       | -         | -     | Auto Nejma                        | Auto industry        | Morocco          | 213.5           | 5%              | 11.8        |          |
| 464       | 416       | -48   | Tullow Gabon                      | Petroleum            | Gabon            | 213.6           | -15%            | ND          |          |
| 465       | 488       | +23   | Swan Group                        | Insurance            | Mauritius        | 213.5           | 9%              | 10.0        |          |
| 466       | 467       | +1    | FEICOM                            | Services             | Cameroon         | 212.4           | 0%              | ND          |          |
| 467       | 475       | +8    | Compagnie d'Assurances Sanad      | Insurance            | Morocco          | 211.6           | 3%              | 10.5        |          |
| 468       | 466       | -2    | Société Centrale de Réassurance   | Insurance            | Morocco          | 211.6           | -1%             | 31.4        |          |
| 469       | 473       | +4    | Tanger Med Port Authority         | Ports                | Morocco          | 211.2           | 3%              | 83.4        |          |
| 470       | -         | -     | Edita Food Industries             | Agribusiness         | Egypt            | 210.6           | 23%             | 16.9        |          |
| 471       | 339       | -132  | South Deep Gold Mine              | Mining               | South Africa     | 210.1           | -41%            | - 224.7     |          |
| 472       | -         | -     | Misr National Steel               | Metals               | Egypt            | 209.1           | 72%             | 11.8        |          |
| 473       | 449       | -24   | Workforce Holdings                | Services             | South Africa     | 208.7           | -8%             | 7.2         |          |
| 474       | 432       | -42   | Maridive & Oil Services           | Petroleum            | Egypt            | 208.2           | -13%            | 12.9        |          |
| 475       | 436       | -39   | Nu World Holdings                 | Transport            | South Africa     | 208.0           | -13%            | 12.9        |          |
| 476       | -         | -     | SODIC                             | Construction         | Egypt            | 207.8           | 61%             | 25.2        |          |
| 477       | 465       | -12   | Groupe Sipromad                   | Diversified          | Madagascar       | 206.1           | -4%             | ND          |          |
| 478       | -         | -     | Péto Ivoire                       | Petroleum            | Côte d'Ivoire    | 206.0           | 13%             | 0.1         |          |
| 479       | -         | -     | Phoenix Beverages                 | Food & Drink         | Mauritius        | 205.6           | 11%             | 11.4        |          |
| 480       | 484       | +4    | Afrimat                           | Construction         | South Africa     | 205.4           | 4%              | 21.1        |          |
| 481       | 498       | +17   | Mauritius Telecom                 | ICT/Telecoms         | Mauritius        | 205.3           | 9%              | 14.0        |          |
| 482       | 474       | -8    | <i>Airports of Mauritius*</i>     | <i>Air transport</i> | <i>Mauritius</i> | 205.1           | 15%             | ND          |          |
| 483       | -         | -     | Simbisa Brands                    | Tourism              | Zimbabwe         | 204.7           | 29%             | 13.8        |          |
| 484       | 426       | -58   | Deneb Investments                 | Financial services   | South Africa     | 204.6           | -1%             | - 1.0       |          |
| 485       | 441       | -44   | SNMVT – Monoprix                  | Retail               | Tunisia          | 204.4           | -12%            | ND          |          |
| 486       | 487       | +1    | Honeywell Flour Mills             | Agribusiness         | Nigeria          | 203.9           | 4%              | 0.2         |          |
| 487       | 453       | -34   | PZ Cussons Nigeria                | Chemicals            | Nigeria          | 203.7           | -8%             | 3.2         |          |
| 488       | 493       | +5    | Britam Kenya                      | Insurance            | Kenya            | 203.1           | 5%              | ND          |          |
| 489       | -         | -     | Egyptian Int. Tourism Company     | Tourism              | Egypt            | 202.7           | 13%             | ND          |          |
| 490       | -         | -     | British American Tobacco Kenya    | Agribusiness         | Kenya            | 202.5           | 13%             | 39.9        |          |
| 491       | -         | -     | Airtel Kenya                      | ICT/Telecoms         | Kenya            | 201.7           | 19%             | 28.0        |          |
| 492       | 481       | -11   | Gabon Telecom                     | ICT/Telecoms         | Gabon            | 201.7           | 1%              | ND          |          |
| 493       | -         | -     | Krystal Digital Network Solutions | Media                | Nigeria          | 201.3           | 34%             | 2.2         |          |
| 494       | 477       | -17   | Umgeni Water-Amanzi               | Utilities            | South Africa     | 201.0           | -1%             | 82.3        |          |
| 495       | -         | -     | Groupe CSE                        | Construction         | Senegal          | 200.9           | 11%             | 4.9         |          |
| 496       | 483       | -13   | CAAT                              | Insurance            | Algeria          | 200.9           | -1%             | 22.6        |          |
| 497       | 452       | -45   | The Rand Mutual Assurance Co.     | Insurance            | South Africa     | 199.7           | 11%             | 64.3        |          |
| 498       | 458       | -40   | MTN Zambia                        | ICT/Telecoms         | Zambia           | 198.9           | -6%             | ND          |          |
| 499       | 438       | -61   | Zambia Sugar                      | Agribusiness         | Zambia           | 196.7           | -16%            | 0.9         |          |
| 500       | 461       | -39   | Rössing Uranium Mine              | Mining               | Namibia          | 196.3           | -10%            | 11.5        |          |

2018 results in millions of US dollars; \*in italics 2017 results; ND: no data



## OIL AND GAS

# CRUDE'S COVID CRUNCH

Many oil and gas projects across the continent have been delayed or cancelled due to the challenges of low prices and restrained demand caused by the global health crisis

By **DJAMILA OULD KHETTAB** in Algiers and **CHRISTOPHE LE BEC**

The oil industry is expected to be in turmoil for a long while to come, particularly on the continent. Siva Prasad, a senior analyst at research firm Rystad Energy, says: "Sub-Saharan Africa, a perceived high-potential but also high-risk zone, is more in the crosshairs than other regions of the world." This is due to the precipitous drop in demand caused by the spread of the novel coronavirus across the globe.

The price of Brent crude hit a low of \$16.51 per barrel in April 2020, after starting the year at about \$65 per barrel. Analysts predict that this period of low prices will delay the start date of most major hydrocarbon projects currently in the works by one to three years. To help cushion the damage in the short term, oil companies are trying to reduce their production rates and look for storage capacity.

However, in the longer term firms are reviewing their project development plans to reevaluate their viability – in both oil and gas. ExxonMobil has postponed its Area 4 gas megaproject in Mozambique until further notice. The BP-led Greater Tortue gas development, which was initially planned to begin production in 2022, is now set to come on stream a year later. Other projects face longer delays. French oil major Total has said that the Tilenga project on Lake Albert in Uganda, which it has taken full control of, will start production in 2022 instead of the originally planned late 2019. Total has also chosen to suspend short-cycle projects in satellite fields close to its large offshore operations in Angola.

Total, and the other significant presence on the continent, Italy's Eni, have said they plan to cut their investment in exploration and production projects by 25% in 2020. This represents a reduction in spending of \$4bn for Total and \$2bn for Eni. For 2021, Eni's

CEO, Claudio Descalzi, is forecasting a \$2.5bn-\$3bn cut in investments – a third of what Eni had been forecast to spend. Eni's decisions will impact the continent negatively, as the company is the leading hydrocarbon producer, with some 1.1m barrels of oil per day (bpd) produced in the third quarter of 2019.

The general shift in starting dates for energy projects is bad news for countries like Senegal, Mauritania, Uganda and Mozambique, which were looking forward to becoming substantial producers in the near future. But it also affects longstanding producers such as Nigeria, Angola and Algeria.

There is a further risk of outright cancellation for certain large projects whose operating costs would be incompatible with sustained oil prices below \$40 per barrel. These include Shell's Bonga Southwest project in Nigeria, Tullow Oil's South Lokichar project in Kenya, Phase 3 of Sonatrach's Hassi R'Mel development in Algeria and Woodside's Sangomar 1 field in Senegal.

The Covid-19 crisis has come at a particularly bad time for Algeria. The country depends on oil and gas revenue to finance the national budget, and revenue was down almost 30% from the previous year in the first quarter of 2020. The public oil company **Sonatrach (#1)** contributes nearly 60% to the national budget and more than 95% of the country's foreign-exchange revenue. The Algiers regime is calling on Sonatrach to slash its expenses in the light of the pandemic. The goal is to reduce its 2020 budget from \$14bn to \$7bn.

### Sonatrach shoulders Algeria's problems

"The Algerian state, which is the sole owner of Sonatrach, is in great difficulty and has no choice but to tighten its belt," says Mourad Preure, a former director of strategy at Sonatrach. But, according to him, the group has savings that are strong enough to handle this new oil shock. "The hydrocarbons industry is cyclical. In situations of depression, oil companies have to be able to establish cost-cutting plans to maintain the balance while resisting the depression. It's a sport that Sonatrach masters perfectly," he says.

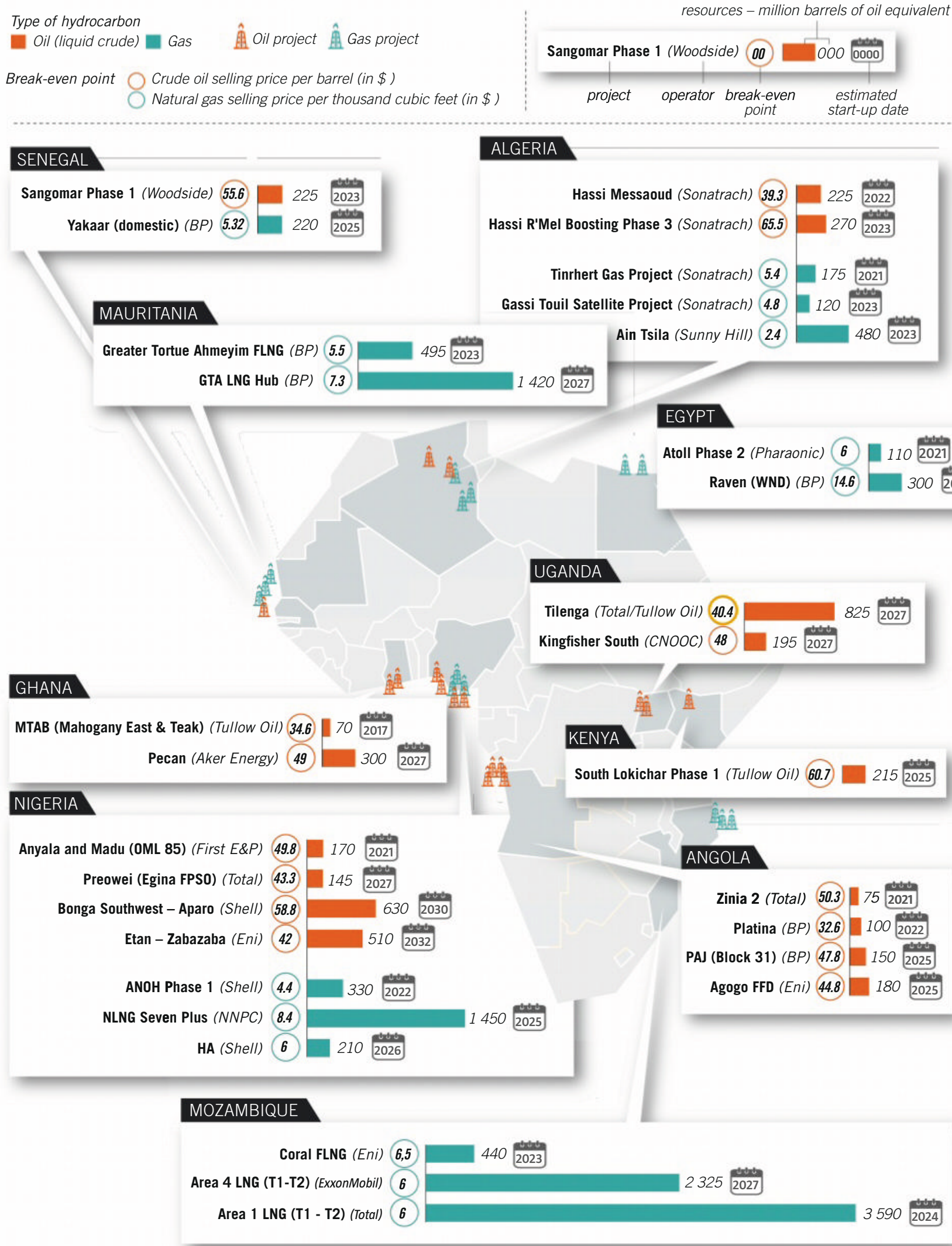
This is not the first time that the company has had to take such measures: "The company has been forced to make major budget cuts in the past, as in the 1990s, when the country was struggling under its external debt burden," Preure says.

The challenge, however, is enormous. Algeria is emerging from a difficult year, hard hit by political instability. The automotive and construction sectors are at a standstill, and the country's foreign-exchange reserves are drying up. Having dropped by one-third in three years, they could fall to less than \$50bn by the end of the year. ●●●

**25%**  
Total and Eni plan to cut their investment in exploration and production by 25% in 2020.



OIL & GAS: 30 MAJOR AFRICAN PROJECTS UNDER STRAIN



SOURCE: RYSTAD ENERGY



••• To make matters worse, the Algerian oil and gas sector continues to be shunned by oil majors. “Sonatrach is isolated in this new crisis, because its international partnership strategy has been severely hurt by manipulation of oil legislation over the past 20 years. This has damaged the image of the country and caused the failures of the last licensing rounds. This is why the government is more worried than it would be if Sonatrach had several major partners with whom to share the risk,” explains Preure. A new oil law passed in December 2019 has brought in lower taxes and more flexibility on hydrocarbon development projects.

Some smaller independent players are also having a tough time of it. Tullow Oil, the Irish oil and gas exploration company that operates across Africa and South America, reported a net loss before tax of \$1.7bn in 2019. Tullow recorded a 70% drop in its share price on the London Stock Exchange, returning to the levels last seen 16 years ago. In December 2019, the drastic reduction in its production forecasts in Ghana and Kenya, and the tax and contractual setbacks it faced in Uganda, led to the departure of its managing director, Paul McDade, and exploration director, Angus McCoss.

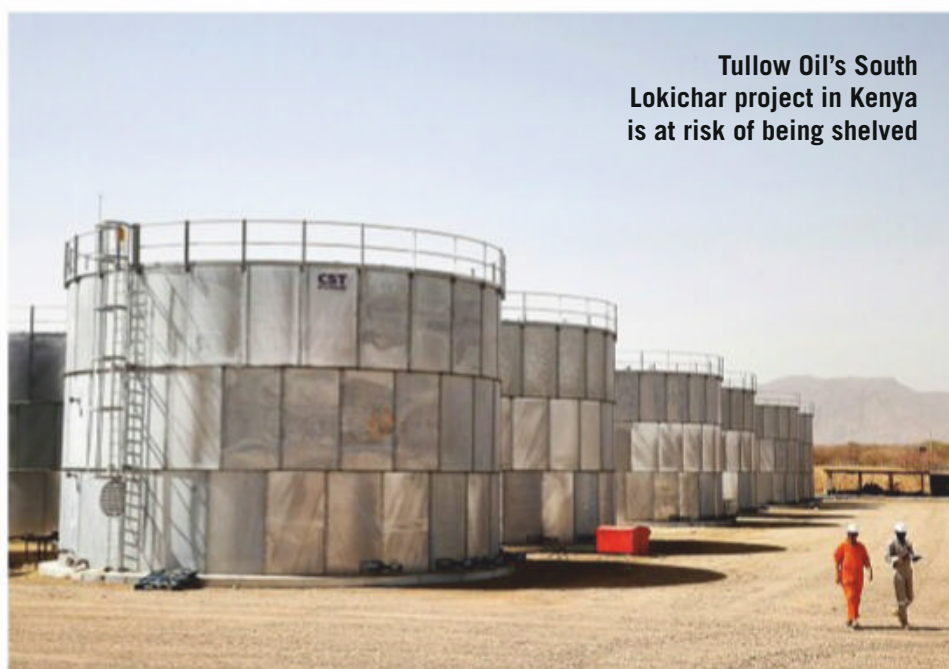
The oil price collapse has not helped matters. Tullow’s management, led by Dorothy Thomson, will let go of some 30% of its workforce. Eight African countries – Ghana, Kenya, Uganda, Côte d’Ivoire, Gabon, Equatorial Guinea, the Comoros and Mauritania – will feel the effects of this.

### Total’s light at the end of the tunnel

But some projects will go on as planned, including a few large projects. The most significant is Mozambique’s liquefied natural gas (LNG) project, which Total took over from US exploration firm Anadarko and restarted in record time. This should begin production before 2025.

Africa accounts for nearly a quarter of Total’s hydrocarbon production – 705,000 bpd in 2019 – as well as 35% of its exploration budget planned for 2020 – about \$405m. The oil giant’s acquisition of Anadarko’s African assets for \$8.8bn in 2019 is another major commitment to activity on the continent. The sub-Saharan assets bought, particularly those in Mozambique, are due to boost Total’s gas production.

According to the president of Total’s exploration and production department for sub-Saharan Africa, Nicolas Terraz: “Mozambique LNG is fully aligned with two of our strategic priorities: strengthening our positions in gas, which we see as an energy of the future, and in deep



Tullow Oil’s South Lokichar project in Kenya is at risk of being shelved

BAZ RATNER/REUTERS

\$bn  
2.5

Total says it will spend \$2.5bn with local suppliers in Mozambique as part of its LNG project.

offshore, which we believe we are technically well-equipped for.” Before this project, the group had only had a modest fuel-distribution subsidiary in Mozambique, but no exploration and production base.

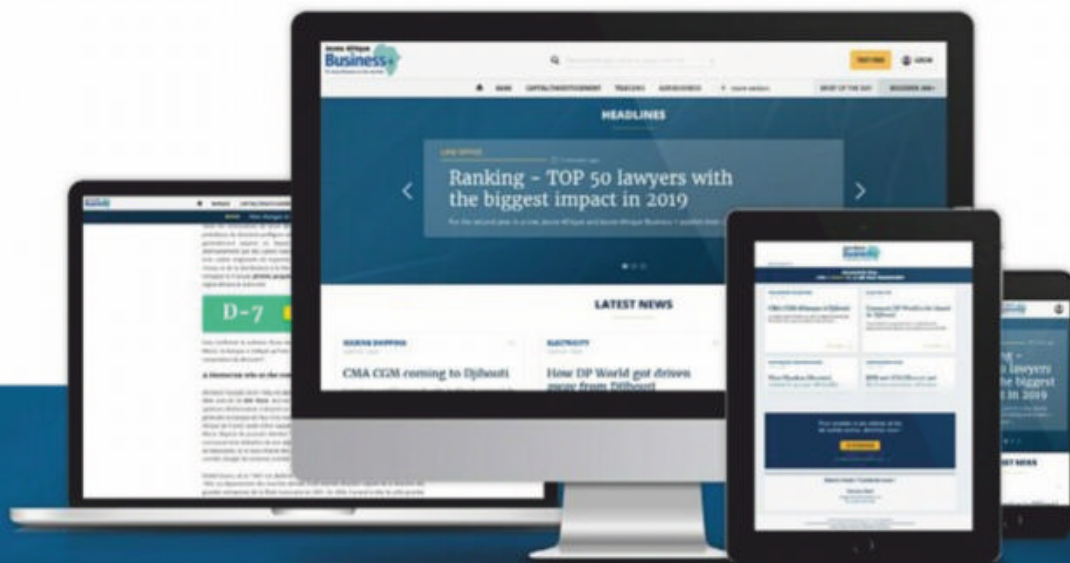
According to Terraz, the resumption of the project under Total “will consist in developing discovered gas reserves of 65tcf [trillion cubic feet] over 30 years, which will eventually produce nearly 40m tonnes of LNG per year for Total and its partners.” Total is also looking to expand in South Africa, after its discovery of the Brulpadda field announced in February 2019. And this year, the oil major is due to complete exploration projects in Nigeria, Namibia and Angola.

Many eyes in the oil and gas industry are currently on Mozambique, as it is on its way to being the world’s fourth-largest gas exporter. The government is encouraging companies to employ citizens at all levels of their organisations, and there has been a push in the development and implementation of effective training programmes for local employees.

Additionally, the Maputo administration is pushing operators to buy local goods and services. Such policies should hopefully ensure that local workers and businesses benefit from oil and gas activity.

Total’s Nicolas Terraz says the French firm is making a major promise to Mozambique in this area: “We are going to spend \$2.5bn locally with suppliers based in Mozambique. This is the commitment we have made to President Filipe Nyusi and energy minister Max Tonela.” Other African countries with natural resources that attract global companies are now more likely to implement local-content policies such as these to ensure they are benefiting from what investor interest remains in these trying times for the sector. •





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# A POOR SHOW FROM AFRICA'S BILLIONAIRES



**FUNMI ADEBAYO**

Writer and former trader

When I heard that Jack Ma, the billionaire founder of Alibaba, was donating drugs and equipment to manage the Covid-19 pandemic in Africa, my instinct was to roll my eyes. Of course, Ma and the Chinese government have strategic interests in Africa. It would be part of the soft-power war between the West and the East for the title of dominant global power in the 21st century. I felt bad for this initial reaction. After all, the crisis is an unprecedented tragedy. Africa is undeniably vulnerable, so any help should be welcomed.

Ma said: "The world cannot afford the unthinkable consequences of a Covid-19 pandemic in Africa." Whatever his intentions, that comment suggests a recognition of Africa's importance in the world. He did not treat Africa like a monolith; he sent resources directly to each of our 54 countries. Extending direct support in this way recognised the immediate need for resources.

Ma showed foresight. He exercised his civic duty as a global citizen. Not just because he had the means, but because he recognised the importance of such action and used critical thought in implementing it.

This brings me to Africa's billionaires. Nigeria's Aliko Dangote was hot on Ma's

heels with an announcement of a donation. That was followed by others from the African billionaires' club. Donations flowed in from the Oppenheims and Ruperts in South Africa and the Sawiris family in Egypt. Many were lauded by their respective governments. There was a sense that their contributions were satisfactory, even exceptional.

**I wondered how far** this praise was deserved, so I started to investigate reports of the contributions made by the top 10 African billionaires. The highest donation was \$55m each by Patrice Motsepe, Johann Rupert and Nicky Oppenheimer. Dangote, the richest African, gave around \$3.1m. Compared to Ma's donation which, based on reported average costs for the medical supplies, was worth more than \$80m, all Africa's billionaires fall short.

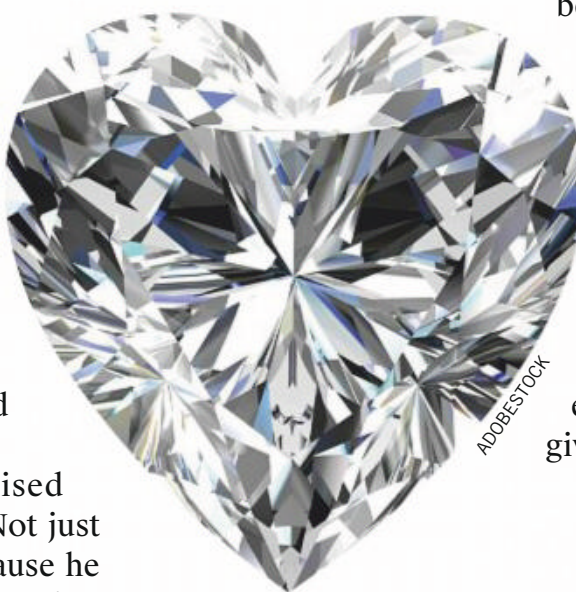
It might seem unfair to compare the African billionaires' donations to Jack Ma's, or to Michael Bloomberg's \$40m pledge, as those two have a net worth of \$41bn and \$51bn respectively. Dangote, the richest African, has a net worth of \$10.1bn, but his reported donation was proportionately far smaller.

No African billionaires have suggested using their companies to support the manufacturing and distribution of important medical resources. This shows that the richest amongst us in Africa do not value the continent that enabled them to generate these riches.

We could also debate the relative responsibilities of African governments and business leaders. African governments should have been able to handle the lion's share of

the continent's needs. They could have the revenue to do so if they collected tax efficiently from local and multinational corporations and from our wealthiest citizens.

This is all the more reason why African billionaires could play a bigger part in tackling the spread of Covid-19. Their contribution is pitiful, embarrassing, and not nearly enough given what they have the capacity to do. ●





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